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PRESIDENTIAL CERTIFICATION ON THE DELIVERY OF AWACS TO SAUDI ARABIA

ORIGINAL

HEARING

BEFORE THE

SUBCOMMITTEE ON
EUROPE AND THE MIDDLE EAST

OF THE

COMMITTEE ON FOREIGN AFFAIRS
HOUSE OF REPRESENTATIVES

NINETY-NINTH CONGRESS

SECOND SESSION

JULY 15, 1986

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CONTENTS

WITNESSES

	Page
Hon. Richard W. Murphy, Assistant Secretary, Bureau of Near Eastern and South Asian Affairs, Department of State	2
Hon. Richard L. Armitage, Assistant Secretary for International Security Affairs, Department of Defense	15

MATERIAL SUBMITTED FOR THE RECORD

Statement submitted by Hon. Michael D. Barnes	31
Payment schedule for the AWACS (submitted by the Department of Defense)	38
Saudi position on use of chemical warfare (submitted by the Department of State)	42
U.S. onsite training to the Saudis for the AWACS (submitted by the Department of Defense)	50
Costs of U.S. AWACS deployment (submitted by the Department of Defense)	57
Request for payment for U.S. AWACS deployment (submitted by the Department of Defense)	58

APPENDIXES

1. Text of June 18, 1986, Presidential Certification on the Transfer of AWACS to Saudi Arabia	67
2. Text of October 28, 1981, letter to Senator Baker from President Reagan	73
3. Supplemental questions submitted by the Subcommittee on Europe and the Middle East to the Department of Defense and responses thereto	78
4. Biographies of witnesses:	
Hon. Richard L. Armitage	84
Hon. Richard W. Murphy	84

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PRESIDENTIAL CERTIFICATION ON THE DELIVERY OF AWACS TO SAUDI ARABIA

TUESDAY, JULY 15, 1986

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
SUBCOMMITTEE ON EUROPE AND THE MIDDLE EAST,
Washington, DC.

The subcommittee met at 2:07 p.m., in room 2172, Rayburn House Office Building, Hon. Lee H. Hamilton (chairman of the subcommittee) presiding.

Mr. HAMILTON. The meeting of the subcommittee will come to order.

The Subcommittee on Europe and the Middle East meets today to examine the President's June 18, 1986,[1] certification that the conditions required to transfer the AWACS aircraft to Saudi Arabia have been met. This is an oversight hearing on an important arms sale which will require close United States-Saudi defense cooperation during the lifetime of the AWACS in Saudi Arabia.

The subcommittee wants to examine the degree to which this certification meets the terms and conditions of the sale as stated in 1981 testimony before Congress and the October 28, 1981, letter from President Reagan to then-Senate Majority Leader Howard Baker which was formalized in section 131 of Public Law 98-93.[2] The subcommittee also wants to examine how this sale, as noted by the President, "will contribute directly to the stability and security of the area."

Members are advised that it may be necessary for the subcommittee to go into closed session; therefore, as soon as a quorum is present, we will take the necessary vote.

We are happy to have as our witnesses today Hon. Richard W. Murphy, Assistant Secretary of State for Near Eastern and South Asian Affairs, and Hon. Richard Armitage, Assistant Secretary of Defense for International Security Affairs.

Gentlemen, I understand that both of you have prepared statements which will, of course, be entered into the record in full.

I assume that you will summarize your written statements so that we may proceed to questions promptly.

Secretary Murphy, you may proceed, or Secretary Armitage. It makes no difference to the Chair which goes first.

Mr. ARMITAGE. Would you want to defer to age, Mr. Chairman?

[1] See app. 1.
[2] See app. 2.

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STATEMENT OF HON. RICHARD W. MURPHY, ASSISTANT SECRETARY, BUREAU OF NEAR EASTERN AND SOUTH ASIAN AFFAIRS, DEPARTMENT OF STATE

Mr. MURPHY. No, position at the table.

Mr. Chairman, I am pleased to be with you today for this oversight hearing of our provision of AWACS aircraft to Saudi Arabia as part of the administration's continuing effort to keep the Congress informed of major United States actions.

A fundamental belief underlies our 40 years of close cooperation. That belief is simple, but profound. The United States has vital security interests in the Persian Gulf: To protect the free flow of oil on which the industrial world depends; to prevent Soviet inroads in the region; to restrain the spread of Khomeini-inspired radicalism; and to support the security of our Arab friends on the Arabian peninsula. Our close relations with Saudi Arabia contribute significantly to advancing these goals.

We protect our interests in the gulf by helping Saudi Arabia and its Gulf Cooperation Council allies to defend themselves. By doing so, we reduce the chances that one day American troops might have to intervene directly.

Saudi Arabia's decision in 1981 to purchase the AWACS aircraft demonstrated its willingness to assume a major part of the burden of protecting the vital oil installations on the Persian Gulf. Since that time, the danger to gulf security has escalated. The 1981 decision has become more important—to us and to Saudi Arabia.

The AWACS delivery will not adversely affect Israel's security. The President is irrevocably committed to ensuring that Israel retains its qualitative superiority in the region.

In 1981, President Reagan undertook to assure Congress that prior to delivery of the first AWACS to Saudi Arabia several conditions would be met. They have been met and the President has so stated in his certification to Congress forwarded to Speaker O'Neill and the President of the Senate on June 18.

Assistant Secretary Armitage will address in detail the technical assurances.

Let me just note that the procedures and arrangements for protecting the security of the AWACS equipment and information are more stringent than those used by the United States to protect similar equipment overseas.

The President also assured,

> That the sale contributes directly to the stability and security of the area and enhances the atmosphere and prospects for progress towards peace. Significant progress toward the peaceful resolution of disputes in the region has been accomplished with the substantial assistance of Saudi Arabia.

Much can be said about Saudi Arabia's contribution to peace in the region. Critics of the kingdom have sought to minimize Saudi efforts, but let me briefly summarize some of the helpful actions Saudi Arabia has taken to support regional peace and security.

First, the Iran/Iraq war.

The Saudis have supported every major diplomatic effort over the past 5 years to end the Iran/Iraq war, including mediation missions by the United Nations, by the Organization of the Islamic Conference, and individual third governments. They support an

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end to the war that preserves the sovereignty and territorial integrity of both Iraq and Iran. We share these goals and pursue them cooperatively with Saudi Arabia.

Lebanon: Saudi Arabia has made major and often highly visible efforts to bring peace to war-torn Lebanon.

For example, the Saudis played a major role in arranging the cease-fire in the Shuf Mountains in September 1983. Their observers were present at the Geneva and Lausanne talks and worked with the Lebanese and Syrians to encourage national reconciliation. They were supportive of Lebanese Government efforts to negotiate with Israel conditions for Israeli withdrawal from southern Lebanon.

The Saudis are not directly involved in the Arab-Israeli conflict. Nevertheless, Saudi efforts have had significant effects at critical periods. The most notable Saudi initiative is the Fahd peace plan which eventually became the Fez Communique. While the Fahd plan and Fez Communique may not have gone as far as we would like, they have been of substantial assistance in the search for peace.

Let me explain.

The Arab desire for consensus has been a central reality in the peacemaking effort. Prior to the Fahd plan and Fez Communique, that desire rejected recognition, negotiation, or conciliation with Israel.

The Fahd proposal in November 1981 and the 10 months of active Saudi diplomatic activity which followed forged a significant new consensus—one that permitted negotiation. It turned the discussion from rejection of peace to a debate on how to achieve peace.

The new consensus set the stage for King Hussein's dramatic initiative of last year.

Saudi Arabia's support for King Hussein's efforts have been substantial. They have assured Jordan they would back any arrangement to both Jordan and the Palestinians.

Over strong Syrian opposition, the Saudis sent official observers to the Amman Palestine National Council meeting where they publicly declared their support for Hussein's decision to host the session.

It was at this conference that King Hussein launched his initiative designed to achieve negotiations between Israel on the one hand and the Jordanians and Palestinians on the other.

Political rehabilitation of Egypt—the only Arab State to have signed a peace agreement with Israel—is symbolically important to moderate Arab States. The Saudis have taken the position that an Arab summit decision is required to endorse reestablishing relations with Egypt. Meanwhile, they have taken a number of positive steps toward reintegration.

For instance, by supporting an essential motion for a secret ballot, they have helped make possible Egypt's reintegration into the Organization of the Islamic Conference. A well-publicized aid payment to Jordan after that country restored relations with Cairo provided a further, clear statement of Saudi aims.

Two weeks ago in an interview with the Egyptian newspaper Al-Ahram, King Fahd reemphasized the importance Saudi Arabia at-

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taches to good relations with Egypt and endorsed President Mubarak's efforts to end Egypt's isolation. On July 12, the Saudis announced a gift of 200,000 tons of badly needed wheat for Egypt.

We have often cautioned all who support peace in the Middle East not to expect dramatic breakthroughs, that progress is made when it is made in incremental steps, that only through steady, dogged effort will the parties collectively move toward peace and security. Positive Saudi efforts to that end should not be belittled.

Mr. Chairman, if I may conclude as I began. Our four decades of collaboration with Saudi Arabia have been mutually beneficial. We protect our vital strategic interests in the gulf by helping Saudi Arabia and its allies provide the first line of defense. Our security cooperation reduces prospects for more direct U.S. involvement. The AWACS aircraft are an integral part of the ambitious and effective Saudi defensive system that we have helped plan and build. Implementing the Saudi AWACS program serves the interests of both our nations.

Thank you.

Mr. HAMILTON. Thank you, Mr. Secretary.

[The prepared statement of Mr. Murphy follows:]

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PREPARED STATEMENT OF HON. RICHARD W. MURPHY, ASSISTANT SECRETARY OF STATE FOR NEAR EASTERN AND SOUTH ASIAN AFFAIRS

For forty years the United States has had a close security cooperation relationship with Saudi Arabia. This relationship has been mutually beneficial. We began a new phase in our joint efforts on June 30 with the delivery of the first of five AWACS aircraft sold to Saudi Arabia in 1981.

AWACS and U.S. Interests

A fundamental belief underlies our important bilateral relationship with Saudi Arabia. The belief is simple but profound. The United States has vital security interests in the Persian Gulf: to protect the free flow of oil on which the industrial world depends; to prevent Soviet inroads in the region; to restrain the spread of Khomeini-inspired radicalism; and to support the security of our Arab friends on the Arabian Penninsula. Our actions should advance these important American interests. Our close relations with Saudi Arabia contribute significantly to promoting each and every one of them.

We protect our interests in the Gulf by helping Saudi Arabia and its GCC allies defend themselves. By enabling them to stand as the first line of Gulf defense, we reduce the chances that one day American troops might have to intervene directly in the area.

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Saudi Arabia's decision in 1981 to purchase the AWACS aircraft demonstrated its willingness to assume a major part of the burden of protecting the vital oil installations on the Persian Gulf. Since that time the danger to Gulf security has escalated. The 1981 decision has become more important -- to us and to Saudi Arabia.

Let us review a few facts. Saudi Arabia alone possesses 25 percent of the free world's proven oil reserves. AWACS is essential to assure continued access to this oil and related facilities. Ground-based radar cannot provide the extra warning time achieved through AWACS deployment, crucial warning time needed to prevent attacking aircraft from wreaking havoc on Saudi oil facilities.

The AWACS are necessary for the security of U.S. Navy personnel in the Persian Gulf. The data links between our ships and the AWACS ensure U.S. Middle East Force access to information essential to the performance of its mission and the protection of its assets.

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Delivery of the Saudi AWACS will free the U.S. Air Force AWACS currently deployed in Saudi Arabia to meet urgent requirements elsewhere. In addition, the U.S. will save about $100 million annually in costs associated with keeping our AWACs in the Kingdom. Moreover, the Saudi AWACS and associated ground equipment could become the nucleus of support for U.S. forces should they be requested to respond to a crisis.

Since 1981, Saudi Arabia has planned and constructed its entire air defense around the acquisition of AWACS. Delivering the AWACS enables the Royal Saudi Air Force to implement these plans. By keeping our commitment to the Saudis we have raised the threshold of deterrence against Iran and enhanced the special bilateral security relationship between our two countries.

Delivery of the AWACS will not adversely affect Israel's security. The President is irrevocably committed to ensuring that Israel retains its qualitative superiority in the region.

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Presidential Assurances and Certification

You will recall that in 1981 President Reagan undertook to assure Congress that prior to delivery of the first AWACS to Saudi Arabia several conditions would be met. These conditions related to the security of AWACS technology, access to Saudi AWACS data, control over third country access to AWACS technology and data, AWACS flight operations and command and control, and Saudi Arabia's contribution to regional peace and security. The conditions set by President Reagan have been met, and the President has so stated in his certification to Congress forwarded to Speaker O'Neil and the President of the Senate on June 18.

The government of Saudi Arabia has been most cooperative in meeting the concerns addressed by the President in 1981.

Assistant Secretary Armitage will address in detail the technical assurances. Let me just note that the procedures and arrangements for protecting the security of the AWACS equipment and information are more stringent than those used by the United States to protect similar equipment overseas. We and the Saudis have agreed to and have implemented an exhaustive security plan which will ensure the physical security of the AWACS aircraft and technology. Third country access to the

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aircraft and AWACS data are tightly restricted. The U.S. has retained ownership over designated computer software. Effective procedures are in place to ensure that only personnel who have been properly screened have access to the AWACS. We have also reached agreement with the Saudis on data sharing, the concept of Saudi AWACS operation and deployment, and command and control.

The President also assured:

"That the sale contributes directly to the stability and security of the area and enhances the atmosphere and prospects for progress towards peace. Significant progress toward the peaceful resolution of disputes in the region has been accomplished with the substantial assistance of Saudi Arabia."

Much can be said about Saudi Arabia's contribution to peace in the region. Critics of Saudi Arabia all too easily and unfairly ignore or minimize Saudi efforts. I would like to briefly summarize many of the helpful actions Saudi Arabia has taken to support regional peace and security.

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Iran/Iraq War

The Saudis have supported every major diplomatic effort over the past five years to end the Iran/Iraq war, including mediation missions by the UN, the Organization of the Islamic Conference and individual third governments. The Saudis seek a just and quick termination of the bloodshed. They support an end to the war that preserves the sovereignty and territorial integrity of both Iraq and Iran. We share these goals and pursue them cooperatively with Saudi Arabia.

Lebanon

Saudi Arabia has made major, and often highly visible efforts to bring peace to war-torn Lebanon. For example, the Saudis played a major role in arranging the cease fire in the Shuf mountains in September 1983 when Crown Prince Abdullah and Prince Bandar engaged in high profile shuttle diplomacy. Saudi observers were present at the Geneva and Lausanne talks and worked with the Lebanese and Syrians to encourage national reconciliation. Furthermore, they were supportive of Lebanese government efforts to negotiate with Israel conditions for Israeli withdrawal from southern Lebanon. The Saudis supported Lebanese efforts to win Syrian consent to proposed compromises and were active in exploring additional proposals to resolve differences between the parties.

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Arab-Israeli Peace

The Saudis are not directly involved in the Arab-Israeli conflict. Nevertheless, even though they have only occasionally played a high-profile role in working toward resolution of the Arab-Israeli dispute, private Saudi efforts have had significant effect at critical periods as have certain more public actions. The most notable Saudi initiative is the Fahd Peace Plan which eventually became the Fez Communique. While the Fahd Plan and Fez Communique may not have gone as far as we would like, they have been of substantial assistance in the search for peace. Let me explain.

The Arab desire for consensus has been a central reality in the peace making effort -- even though or perhaps because that consensus has so often proven elusive. Prior to the Fahd Plan and Fez Communique, the Arab consensus was the three "NOs" of Khartoum which rejected recognition, negotiation or conciliation with Israel.

The Fahd proposal in November 1981 and the ten months of active Saudi diplomatic activity which followed forged a significant new concensus -- one that permitted negotiation. It turned the discussion from rejection of peace to a debate on how to achieve peace. It is the largest step toward peace that

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the Arabs have taken as a group. The new consensus set the stage for King Hussein's dramatic initiative last year. It was and remains a major and constructive step forward. It is noteworthy that the Fahd proposal contains language drawn from UN Security Council Resolution 242 which states that all states in the region should be able to live in peace.

We have often cautioned all who support peace in the Middle East not to expect dramatic breakthroughs. Progress is made in incremental steps. Only through steady, dogged effort will the parties collectively move toward peace and security. Positive Saudi efforts should not be belittled. There are other examples.

Saudi Arabia's support for King Hussein's efforts have been substantial. The Saudis have assured Jordan that they would back any arrangement acceptable to both Jordan and the Palestinians. Over strong Syrian opposition, the Saudis sent official observers to the 1984 Amman Palestine National Council (PNC) meeting where they publicly declared their support for Hussein's decision to host the session. It was at this conference that King Hussein launched his initiative designed to achieve negotiations between Israel on the one hand and the Jordanians and Palestinians on the other.

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Political rehabiltitation of Egypt -- the only Arab state to have signed a peace agreement with Israel -- is symbolically important to moderate Arab states. The Saudis have taken the position that an Arab summit decision is required to endorse reestablishing relations with Egypt. Meanwhile, they have taken a number of positive steps toward reintegration. For instance, by supporting an essential motion for a secret ballot, they have helped make possible Egypt's reintegration into the Organization of the Islamic Conference. A highly publicized aid payment to Jordan after that country restored relations with Cairo provided a further, clear statement of Saudi aims. In a July 6 interview with the Egyptian newspaper Al-Ahram, King Fahd reemphasized the importance Saudi Arabia attaches to good relations with Egypt and endorsed President Mubarak's efforts to end Egypt's isolation; on July 12, the Saudis announced a gift of 200,000 tons of badly needed wheat for Egypt.

Peace is still in the making. The parties have made considerable progress already. Undeniably there remains a long way to go. Achievement of our shared goal, Israeli-Arab peace, requires risk taking, goodwill, and hard work from all parties. I am hopeful we will succeed. I am certain that denigrating genuine and positive efforts of one or some of the parties is counterproductive.

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With his assurances to Congress on the AWACS, the President believes the concerns of Congress have been met. We are convinced that the close cooperation with Saudi Arabia that has led to the arrangements we have described will continue throughout the life of the AWACS program.

Conclusion

Mr. Chairman, let me conclude as I began. Our four decades of collaboration with Saudi Arabia have been mutually beneficial. We protect our vital strategic interests in the Gulf by helping Saudi Arabia and its allies provide the first line of defense. Our security cooperation reduces prospects for more direct U.S. involvement. The AWACS aircraft are an integral part of the ambitious and effective Saudi defensive system that we have helped plan and build. It serves the interests of both our nations.

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Mr. HAMILTON. Secretary Armitage.

STATEMENT OF HON. RICHARD L. ARMITAGE, ASSISTANT SECRETARY FOR INTERNATIONAL SECURITY AFFAIRS, DEPARTMENT OF DEFENSE

Mr. ARMITAGE. Thank you, Mr. Chairman.

I will be very brief and we can get on with your questions.

It was serious congressional concern which led to Senate-proposed assurances on security of technology, proper use of aircraft, and command and control, et cetera.

These assurances have been provided by letter from the President to the Congress and I will briefly touch on the five security-related or technology-related assurances.

The first concerned security of technology. I want to preface my remarks by stating that the Government of Saudi Arabia has been extremely cooperative in the development of security requirements.

First of all, we have an umbrella GSOMIA, General Security of Military Information Agreement which is a standard government-to-government document which governs transfer of technology with friendly countries. This GSOMIA is supported by a May 1973 technical security arrangement.

We have furthermore in the letter of offer and acceptance a special note and I believe it is supplemental note 14 which speaks to AWACS-specific security precautions. In that supplemental note, we were required to develop a joint AWACS security plan. This has been done and was approved in July 1985. This is classified Saudi top secret, United States secret. It is extremely detailed, covers everything from physical security and facility requirements to the security forces necessary to enforce the security.

It has not been notified to the Congress; the cover letter to the security plan has been provided. Any Member of Congress who wishes to go through the detailed document—I submit it is extraordinarily detailed—is more than welcome to do so and I will make arrangements for any Member who wishes to view the document and to discuss it.

Out of this joint security plan which, as I said, was approved in July 1985, we have had a United States security team from the Air Force travel to Saudi Arabia to judge the effectiveness of the implementation of this security plan and its controls and their survey showed that the Saudi security was equal to or better than—that is, more stringent—than United States requirements in the security field.

Finally, we have established a position at U.S. Military Training Mission [USMTM] for a security manager. We have an officer full time at USMTM who will be responsible for security matters.

The second assurance which has been forwarded to the Hill of a technical nature is one requiring U.S. access to AWACS information. The President has assured the Congress that we will have continuous and complete access to information which is gained by the RSAF AWACS.

There are two documents which speak to this agreement, the first is a 1982 memorandum of agreement which is classified secret

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between Minister of Defense and Aviation Sultan and Secretary Weinberger. It has been notified to the Hill under the Case Act.

There is an addendum to that 1982 MOA and it is an agreement signed by me for the United States Government and by Ambassador Bandar of the Kingdom of Saudi Arabia for his government. This will also be notified to the Congress under the Case Act.

The third assurance concerned control over third country nationals. The requirements to meet this assurance are contained in both the letter of offer and acceptance and in the detailed security plan. Third country nationals are extremely limited in their ability to affect any sorts of labor on any aspect of the AWACS program or the AWACS aircraft itself and at any rate any third country nationals that do affect any bit of maintenance no matter how menial have to have security clearances which meet the requirements of the security plan mutually agreed to by Saudi Arabia and the United States.

The fourth assurance was one concerning AWACS flight operations and the specific assurances are contained in not only the letter of offer and acceptance, but in a specific security note appended to the letter of acceptance and indeed a letter, an official letter from the Government of Saudi Arabia to the United States which has been notified to the Hill and it does contain the assurances concerning AWACS flight operations, that is, flight operations will be conducted within the limits of the Kingdom of Saudi Arabia unless there is a mutual agreement between the Kingdom and the United States to do otherwise.

The fifth and last assurance concerned command structure. The Saudi Arabian Armed Forces have taken the lead from the U.S. Air Force doctrine of centralized command and decentralized execution, and the specific assurances are contained in the heretoforementioned letter from Saudi officials to the United States Government.

Finally, I would like to touch very briefly on a matter of great concern to not only this subcommittee, but to the Congress as a whole and that is whether or not the sale of the AWACS with the specific assurances I have mentioned is a threat to Israel.

First of all, the AWACS, as you very clearly know, is inherently defensive. It carries no weapons nor can it be equipped to be a significant intelligence collector.

Second of all, this AWACS cannot be used effectively with combat aircraft of other Arab countries without extensive data links and extensive joint training.

I must add that the data languages and equipment would have to be provided from the United States and we would know if there was any attempt obviously to do this.

It would be foolhardy on the part of the authorities in the Kingdom of Saudi Arabia to leave the area of highest threat—that is, the oil fields and the southeast, perhaps the southwest—open to a very real threat to change their AWACS orbit to something more to the northwest.

To do this, to use the AWACS in a manner in which we have not envisioned would obviously and unavoidably have an effect on the relationship with the United States of America.

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There are those or some of those in the Congress who have argued,

> Yes, what you say is true, but what if all the Americans were removed from the Kingdom, then couldn't the AWACS be used in a manner that we didn't envision?

Well, the short answer is, yes, for a very short time because with removal of Americans from the Kingdom, maintenance and other aspects of the Saudi Arabian AWACS program would not be able to be maintained.

Finally, there are not enough AWACS in the sale to allow the Kingdom to take care of genuine defensive needs on the east and engage in orbits in other parts of the Kingdom.

I know that is of great concern to you Members and I wanted to get it on the table early on and I would be pleased to join Dick Murphy in trying to answer your questions.

Mr. HAMILTON. Thank you very much.

[The prepared statement of Mr. Armitage follows:]

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PREPARED STATEMENT OF HON. RICHARD L. ARMITAGE, ASSISTANT SECRETARY OF DEFENSE (INTERNATIONAL SECURITY AFFAIRS)

DELIVERY OF AWACS E-3A AIRCRAFT TO SAUDI ARABIA

ON 1 OCTOBER 1981, THIS ADMINISTRATION FORMALLY NOTIFIED THE THE CONGRESS OF ITS INTENT, SUBJECT TO CONGRESSIONAL REVIEW, TO SELL AN AIR DEFENSE ENHANCEMENT PACKAGE FOR SAUDI ARABIA. FIVE AIRBORNE WARNING AND CONTROL SYSTEM (AWACS) E-3A AIRCRAFT WERE THE HEART OF THAT PACKAGE, WHICH ALSO INCLUDED KE-3A TANKER AIRCRAFT, A GROUND-BASED COMMAND, CONTROL, AND COMMUNICATIONS (C3) SYSTEM, CONFORMAL FUEL TANKS FOR EXISTING F-15 AIRCRAFT, AND AIM-9L AIR-TO-AIR MISSILES. I WOULD BE REMISS IF I FAILED TO MENTION THE SERIOUS CONCERNS CONGRESS HAD AT THAT TIME REGARDING THE SALE WHICH LED TO THE SENATE-PROPOSED ASSURANCES ON SECURITY OF OUR TECHNOLOGY, PROPER USE OF THE AIRCRAFT AND OTHER MATTERS. NEARLY FIVE YEARS LATER, THE PRESIDENT CERTIFIED SATISFACTION OF THOSE ASSURANCES, AND, ON 30 JUNE 1986, THE FIRST E-3A AIRCRAFT WAS DELIVERED BY BOEING TO THE U.S. AIR FORCE IN SEATTLE AND SUBSEQUENTLY FLOWN TO SAUDI ARABIA WHERE IT WAS OFFICIALLY TURNED OVER TO THE ROYAL SAUDI AIR FORCE ON JULY 2. DELIVERIES OF THE REMAINING FOUR AWACS AND EIGHT TANKERS WILL STRETCH THROUGH 1987.

THE PRINCIPAL REASON FOR SELLING AWACS TO SAUDI ARABIA IN 1981 WAS (AND IS NOW) TO ENABLE THE SAUDIS TO PROVIDE THEIR OWN EARLY WARNING CAPABILITY NECESSARY TO THE AIR DEFENSE OF THE KINGDOM AND NEIGHBORING COUNTRIES, PARTICULARLY THE HIGHLY VULNERABLE OIL FIELDS AND FACILITIES ALONG THE PERSIAN GULF.

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WHERE SIXTY PERCENT OF THE FREE WORLD'S PROVEN OIL RESERVES ARE LOCATED. THAT REASON IS EVEN MORE VALID TODAY, AS THE INTENSIFIED EVENTS OF THE PERPETUAL IRAN-IRAQ WAR ATTEST. THAT WE RECOGNIZE THE IMPORTANCE OF EARLY WARNING AIR SURVEILLANCE INFORMATION FOR THE DEFENSE OF SAUDI ARABIA IS BORN OUT BY THE FACT THAT WE, THE UNITED STATES, HAVE KEPT FOUR AWACS AIRCRAFT AND OVER FIVE HUNDRED SERVICEMEN AND WOMEN IN SAUDI ARABIA SINCE 1980 IN RESPONSE TO THE OUTBREAK OF HOSTILITIES BETWEEN IRAN AND IRAQ, FLYING SURVEILLANCE MISSIONS AROUND THE CLOCK. ONCE SAUDI ARABIA GAINS PROFICIENCY WITH ITS OWN AWACS, THEY WILL TAKE OVER THIS ROLE, AND WE WILL BE ABLE TO REDEPLOY OUR PLANES AND PERSONNEL TO MEET OTHER PRESSING REQUIREMENTS AROUND THE WORLD. HOWEVER, WE WILL STILL CONTINUE TO SHARE THE BENEFIT OF THE DATA THE SAUDI AWACS COLLECTS, EVEN AFTER OUR OWN PLANES HAVE LEFT.

THE CONTRIBUTION OF AWACS AS A DETERRENT TO CONFLICT HAS BEEN AMPLY DEMONSTRATED BY OUR EXPERIENCE WITH THE U.S. AWACS DEPLOYMENT TO THE KINGDOM. WHILE THE TANKER WAR IN THE GULF CONTINUES UNABATED, IRAN HAS REFRAINED FROM VIOLATING SAUDI AIR SPACE EVER SINCE ROYAL SAUDI AIR FORCE F-15S, ALERTED AND GUIDED BY INFORMATION FROM OUR AWACS, SUCCESSFULLY DOWNED ONE OR MORE HOSTILE IRANIAN F-4S IN JUNE 1984. THE COMBINATION OF SAUDI RESOLVE TO PROTECT THE VITAL ASSETS OF THE KINGDOM AND SUFFICIENT EARLY WARNING OF HOSTILE AIRCRAFT WILL CONTINUE AFTER DELIVERY OF THEIR OWN AWACS. THE ABILITY OF OUR FRIENDS TO DEFEND THEMSELVES, ESPECIALLY WHEN VITAL U.S. OBJECTIVES ARE AT STAKE, IS VERY MUCH IN OUR OWN NATIONAL INTEREST.

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THE E-3A'S ABILITY TO SEE FAR BEYOND THE GROUND RADAR HORIZONS MAKES IT THE MOST EFFECTIVE MEANS OF PROVIDING EARLY WARNING OF LOW-LEVEL AIR ATTACK FROM NEIGHBORING COUNTRIES WHOSE AIRFIELDS ARE IN CLOSE PROXIMITY TO SAUDI AIR FIELDS. AWACS ALSO HAS A MUCH BETTER CHANCE OF SURVIVING AN ATTACK ON THE SAUDI AIR DEFENSE NETWORK THAN FIXED GOUND-BASED RADARS. IT IS THE MOST EFFICIENT AND FLEXIBLE MEANS OF UTILIZING SAUDI ARABIA'S LIMITED POOL OF SKILLED MANPOWER AND RELATIVELY SMALL NUMBER OF AIR DEFENSE FIGHTERS. WHILE INTENDED IN 1981, AS NOW, PRIMARILY FOR PROTECTION OF OIL ASSETS IN THE EASTERN PROVINCE, THE AIRCRAFT CAN BE SHIFTED IN PERIODS OF TENSION AND HEIGHTENED THREATS TO BOLSTER AIR DEFENSES IN THE SOUTHEAST OR SOUTHWEST. SINCE AWACS IS PRIMARILY A DEFENSIVE SYSTEM, IT SHOULD NOT CREATE A SENSE OF THREAT FOR SAUDI ARABIA'S NEIGHBORS.

AWACS AIRCRAFT WILL GREATLY ENHANCE THE ROYAL SAUDI AIR FORCE'S ABILITY TO DEFEND SAUDI AIR SPACE BY INCREASING EARLY WARNING TIME AND BY DIRECTING AIR-TO-AIR OR SURFACE-TO-AIR INTERCEPTS. AN AWACS AIRCRAFT, HOWEVER, IS UNABLE TO DETECT TARGETS ON THE GROUND, AND THEREFORE DOES NOT SIGNIFICANTLY ADD TO THE VERY LIMITED SAUDI ABILITY TO CONDUCT AIR-TO-GROUND ATTACKS AGAINST ITS NEIGHBORS. NEVERTHELESS, RECOGNIZING THAT AN AWACS AIRCRAFT, LIKE ALL AIRCRAFT AND OTHER MILITARY EQUIPMENT IN THE SAUDI INVENTORY, COULD CONCEIVABLY BE EMPLOYED IN SUPPORT OF OFFENSIVE OPERATIONS, A NUMBER OF CONDITIONS WERE IMPOSED ON THE SALE.

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SOME OF YOU WILL RECALL THE MILITARY JUSTIFICATION FOR PROVISION OF THE AWACS TO SAUDI ARABIA THAT WAS PRESENTED AND ACCEPTED BY THE CONGRESS IN 1981 AND REMAINS VALID IN 1986. AT THAT TIME, PRESIDENT REAGAN, IN HIS LETTER TO THEN-SENATE MAJORITY BAKER, ASSURED THE CONGRESS THAT HE WOULD NOT PERMIT THE AWACS AIRCRAFT TO BE DELIVERED UNTIL HE HAD CERTIFIED THAT A NUMBER OF CONDITIONS HAD BEEN MET. THE PRESIDENT SO CERTIFIED IN HIS LETTER TO THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE ON JUNE 18 OF THIS YEAR. FIVE OF THESE CONDITIONS ARE LARGELY TECHNICAL, DEFENSE-RELATED ISSUES, AND ONE WAS POLITICAL IN NATURE. ASSISTANT SECRETARY MURPHY WILL SPEAK/HAS SPOKEN TO THE QUESTION OF SAUDI CONTRIBUTION TO REGIONAL SPEACE AND SECURITY, WHICH INVOLVES A POLITICAL JUDGEMENT, AND I WILL ADDRESS THE SPECIFICS OF OUR IMPLEMENTATION OF THE DEFENSE-RELATED ISSUES. THE MAJORITY OF THE DOCUMENTATION SUPPORTING THESE ASSURANCES, MUCH OF IT CLASSIFIED, WAS TRANSMITTED TO THE CONGRESS ON JUNE 19.

MEMBERS OF THE COMMITTEE ARE FAMILIAR WITH THE SPECIFIC LANGUAGE OF EACH OF THE ASSURANCES CONTAINED IN THE PRESIDENT'S OCTOBER 28, 1981 LETTER, SINCE THEY WERE CODIFIED INTO LAW IN SECTION 131 OF PUBLIC LAW 99-83 IN 1985 AND REPEATED VERBATIM IN THE PRESIDENT'S CERTIFICATION LAST MONTH. FOR COMPLETENESS OF THE RECORD, HOWEVER, I WILL REPEAT THEM IN TURN:

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Security of Technology

A. That a detailed plan for the security of equipment, technology, information, and supporting documentation has been agreed to by the United States and Saudi Arabia and is in place; and

B. The security provisions for Saudi AWACS aircraft are no less stringent than measures employed by the United States for protection and control of its equipment of like kind outside the continental United States; and

C. The United States has the right of continual on-site inspection and surveillance by U.S. personnel of security arrangements for all operations during the useful life of the AWACS. It is further provided that security arrangements will be supplemented by additional U.S. personnel if it is deemed necessary by the two parties; and

D. Saudi Arabia will not permit citizens of third nations either to perform maintenance on the AWACS or to modify such equipment without prior, explicit mutual consent of the two governments; and

E. Computer software, as designated by the United States Government, will remain the property of the United States Government.

THE SAUDI GOVERNMENT HAS BEEN EXTREMELY COOPERATIVE AND FORTHCOMING ON SECURITY ARRANGEMENTS FOR THE AWACS. THEY HAVE NOT ONLY MET EVERY REQUIREMENT OF OURS, BUT HAVE FREQUENTLY GONE BEYOND THEM. IT IS OBVIOUSLY IN THEIR OWN INTEREST TO PROTECT THESE SCARCE, VALUABLE ASSETS AS CAREFULLY AS POSSIBLE. THE OVERALL UMBRELLA OF THE SECURITY PROGRAM IS THE GENERAL SECURITY OF MILITARY INFORMATION AGREEMENT (GSOMIA), A CONFIDENTIAL DOCUMENT WHICH WE IN FACT REQUIRED TO BE SIGNED EVEN BEFORE WE

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PRESENTED THE LETTER OF OFFER AND ACCEPTANCE (LOA), THE BASIC SALES CONTRACT, TO THE SAUDI GOVERNMENT. THE GSOMIA IS A STANDARD GOVERNMENT-TO-GOVERNMENT AGREEMENT WHICH WE HAVE WITH MANY COUNTRIES AROUND THE WORLD. IN THE CASE OF SAUDI ARABIA, IT IS SUPPORTED BY AN UNCLASSIFIED TECHNICAL SECURITY ARRANGEMENT DATING FROM MAY 1973. IN ADDITION, THE LOA CONTAINS A SPECIAL NOTE IN THE SUPPLEMENTAL CONDITIONS REGARDING AWACS-SPECIFIC SECURITY PRECAUTIONS IN WHICH THE SAUDI ARABIAN GOVERNMENT ACCEPTS THE FACT THAT THE AWACS PROGRAM REQUIRES UNIQUE SECURITY PRECAUTIONS ABOVE AND BEYOND THOSE NORMALLY ASSOCIATED WITH FOREIGN MILITARY SALES TRANSFERS OF U.S. HARDWARE, WHETHER CLASSIFIED OR NOT. THIS SECURITY PRECAUTION NOTE ESTABLISHES THE REQUIREMENT FOR A DETAILED AWACS SECURITY PLAN TO BE JOINTLY APPROVED A YEAR IN ADVANCE OF THE FIRST DELIVERIES, SETS THE LEVEL OF SECURITY TO BE PROVIDED AS NO LESS STRINGENT THAN WE WOULD PROVIDE OURSELVES, AND CONTAINS THE PROHIBITION OF THIRD COUNTRY NATIONALS PERFORMING MAINTENANCE OR MODIFICATIONS TO THE EQUIPMENT WITHOUT OUR PERMISSION. IT ALSO ESTABLISHES OUR RIGHT TO CONTINUAL ON-SITE INSPECTION OF ALL AWACS-RELATED SECURITY ARRANGEMENTS.

THE AWACS SECURITY PLAN, PREPARED BY THE ROYAL SAUDI AIR FORCE WITH THE ASSISTANCE OF OUR OWN AIR FORCE, WAS JOINTLY APPROVED IN JULY 1985. THIS CLASSIFIED DOCUMENT IS EXTREMELY DETAILED; USING THE LOA SECURITY NOTE AS ITS BASIS,IT SETS FORTH SPECIFIC REQUIREMENTS FOR PHYSICAL SECURITY, SUCH AS FENCING, MARKINGS, CLEAR ZONES, INTRUSION DETECTION DEVICES, AND

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LIGHTING; FACILITY REQUIREMENTS, SECURITY FORCE ORGANIZATION, RESPONSIBILITIES, EQUIPMENT AND PROCEDURES; ANTI-HIJACK MEASURES; ESCORT REQUIREMENTS; RESTRICTED AREAS; KEY CONTROLS; HANDLING OF CLASSIFIED MATERIAL; AND USE OF DEADLY FORCE.

THE SECURITY PLAN ENSURES THAT THE LIMITED NUMBERS OF THIRD COUNTRY NATIONALS WHO HAVE ACCESS TO THE AWACS AND ITS SUBSYSTEMS ON A HIGHLY RESTRICTED BASIS ARE NOT PERMITTED ACCESS TO CLASSIFIED OR SENSITIVE AREAS OR EQUIPMENT. MOREOVER, THEY MUST HAVE POSSESS SAUDI SECURITY CLEARANCES AND MUST BE ESCORTED AT ALL TIMES. THE SMALL NUMBER OF THIRD COUNTRY NATIONALS WILL ENGAGE LARGELY IN MENIAL, CUSTODIAL LABOR. HIRING AMERICAN CITIZENS FOR SUCH WORK WOULD OBVIOUSLY NOT BE COST-EFFECTIVE, IF THEY EVEN COULD BE FOUND. THE SECURITY PLAN SPELLS OUT EXACTLY WHERE THEY ARE PERMITTED AND UNDER WHAT CONDITIONS.

A TEAM OF U.S. AIR FORCE SECURITY EXPERTS HAS JUST COMPLETED A SURVEY OF THE IMPLEMENTATION OF THE SECURITY PLAN IN SAUDI ARABIA AND CERTIFIED THAT ALL REQUIREMENTS HAVE BEEN MET AND THAT THE SAUDIS ARE PROVIDING SECURITY EQUAL TO OR BETTER THAN OUR OWN. IN ADDITION TO OUR RIGHT OF ON-SITE INSPECTION, THE PRESENCE OF LARGE NUMBERS OF AMERICANS THROUGHOUT THE SAUDI AWACS PROGRAM ENABLES US TO ENSURE THAT WILL CONTINUE TO BE THE CASE. WE HAVE ESTABLISHED A NEW POSITION WITHIN THE U.S. MILITARY TRAINING MISSION IN RIYADH TO SERVE AS SECURITY MANAGER FOR AWACS AND OTHER HIGHLY SENSITIVE PROGRAMS.

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THE AWACS SECURITY PLAN IS NOT AMONG THE IMPLEMENTING DOCUMENTS AND AGREEMENTS THAT WERE PROVIDED TO THE CONGRESS FOLLOWING THE PRESIDENT'S CERTIFICATION. WHILE APPROVED BY THE USG, IT IS A SAUDI CLASSIFIED DOCUMENT (SAUDI ARABIAN TOP SECRET, EQUIVALENT TO U.S. SECRET) WHICH THEY HAVE REQUESTED THAT WE NOT CIRCULATE. GIVEN THAT THE SPECIFICS OF HOW THEY WILL PROTECT THEIR AWACS WOULD BE EXTREMELY USEFUL TO ANY HOSTILE AGENCY, THEIR SENSITIVITY IN THIS REGARD CAN BE APPRECIATED AND MUST BE RESPECTED. HOWEVER, WE HAVE AGREED TO MAKE THE SECURITY PLAN AVAILABLE TO MEMBERS OF THE CONGRESS FOR REVIEW UNDER APPROPRIATE CIRCUMSTANCES.

WE HAVE DESIGNATED COMPUTER "SOURCE CODES" AS THE SOFTWARE WHICH MUST REMAIN THE PROPERTY OF THE U.S. GOVERNMENT. THE SOFTWARE NECESSARY TO OPERATE THE COMPUTERS ONBOARD THE AWACS HAS OF COURSE BEEN DELIVERED TO THE SAUDIS. THEY WILL NOT, HOWEVER, HAVE ANY CAPABILITY TO MAINTAIN OR MODIFY THAT SOFTWARE WITHOUT THE SOURCE CODES WHICH WE WILL RETAIN.

Access to Information. That Saudi Arabia has agreed to share with the United States continuously and completely the information that it acquires from use of the AWACS.

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SUCH AGREEMENT HAS EXISTED IN WRITING SINCE EARLY 1982 AND WAS SUBMITTED TO THE CONGRESS IN ACCORDANCE WITH THE CASE ACT UNDER AN INJUNCTION OF SECRECY. THE NECESSARY ARRANGEMENTS ARE IN PLACE. FURTHER ELABORATION OF THIS AGREEMENT AND ITS IMPLEMENTATION IS CLASSIFIED AND CAN TAKE PLACE IN CLOSED SESSION.

Control Over Third Country Participation.

A. That Saudi Arabia has agreed not to share access to AWACS equipment, technology, documentation, or any information developed from such equipment or technology with any nation other than the United States without the prior, explicit mutual consent of both governments; and

B. There are in place adequate and effective procedures requiring the screening and security clearance of citizens of Saudi Arabia and only cleared Saudi citizens and cleared U.S. nationals will have access to AWACS equipment, technology, or documentation, or information derived therefrom, without the prior, explicit mutual consent of the two governments.

THE LANGUAGE OF EVERY LOA SIGNED BY FOREIGN PURCHASERS OF MILITARY EQUIPMENT AND SERVICES FROM THE U.S. GOVERNMENT CONTAINS PROHIBITIONS ON THE TRANSFER OF POSSESSION OF THE DEFENSE ARTICLES OR SERVICES TO ANYONE NOT AN OFFICER, EMPLOYEE OR AGENT OF THE PURCHASING COUNTRY. THE SAUDIS HAVE SCRUPULOUSLY COMPLIED WITH THAT REQUIREMENT OVER THE ENTIRE LENGTH OF OUR MILITARY SUPPLY RELATIONSHIP. IN THE CASE OF AWACS, THE SECURITY PRECAUTION NOTE IN THE LOA THAT I MENTIONED PREVIOUSLY CONTAINS SPECIFIC PROHIBITIONS ON THE USE OF OTHER

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THAN PROPERLY CLEARED SAUDI AND U.S. NATIONALS IN AWACS OPERATIONS, SUPPORT, AND SECURITY FUNCTIONS. THE SECURITY PLAN DOES, AS I HAVE SAID, PERMIT LIMITED NUMBERS OF THIRD COUNTRY NATIONS UNDER CAREFULLY CONTROLLED CONDITIONS TO PERFORM CUSTODIAL TASKS ABOUT THE AIRCRAFT AND IN CERTAIN NORMALLY-RESTRICTED AREAS.

AWACS Flight Operations. That the Saudi AWACS will be operated solely within the boundaries of Saudi Arabia, except with the prior, explicit mutual consent of the two governments, and solely for defensive purposes as defined by the United States, in order to maintain security and regional stability.

EVERY LOA SIGNED BY SAUDI ARABIA (AND EVERY OTHER FOREIGN MILITARY SALES CUSTOMER) CONTAINS AN AGREEMENT THAT U.S.-SUPPLIED EQUIPMENT CAN ONLY BE USED FOR DEFENSIVE PURPOSES. THE E-3A ITSELF IS INHERENTLY A DEFENSIVE, AS OPPOSED TO OFFENSIVE, WEAPON SYSTEM. IT IS UNARMED AND DOES NOT "SEE" TARGETS ON THE GROUND. THE AWACS HAS LITTLE UTILITY IN CONTROLLING AN ATTACKING AIR FORCE.

THE SPECIAL SECURITY PRECAUTION NOTE OF THE LOA MENTIONED PREVIOUSLY ALSO CONTAINS A SPECIFIC COMMITMENT THAT THE AWACS WILL ONLY BE OPERATED WITHIN THE BOUNDARIES OF THE KINGDOM. STANDARD USAF TACTICAL DOCTRINE WHICH CALLS FOR THE E-3A TO REMAIN AT A SAFE DISTANCE BEHIND SENSITIVE POLITICAL BORDERS HAS BEEN ADOPTED BY SAUDI ARABIA.

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Command Structure. That agreements as they concern organizational command and control structure for the operation of AWACS are of such a nature to guarantee that the commitments above will be honored.

THE CONCEPT OF OPERATIONS FOR THE SAUDI AWACS, WHICH WAS DEVELOPED BY THE USAF, EMPLOYS THE PRINCIPLE OF CENTRALIZED COMMAND AND DECENTRALIZED EXECUTION. IT IS DESCRIBED IN A CLASSIFIED DOCUMENT AND MEETS THE REQUIREMENTS SET OUT IN THE ABOVE ASSURANCE.

FINALLY, I WOULD LIKE TO ADDRESS ONE OTHER CONCERN: THAT IS THE ALLEGED THREAT THESE AWACS POSE TO ISRAEL. WE DO NOT BELIEVE THAT THE SAUDI AWACS AIRCRAFT CONSTITUTE A REALISTIC THREAT TO ISRAEL. THE SAME CONSTRAINTS THAT SIGNIFICANTLY REDUCE THE THREAT TO ISRAEL FROM OTHER SAUDI MILITARY SYSTEMS ALSO GREATLY REDUCE ISRAELI CONCERNS ABOUT AWACS AIRCRAFT IN SAUDI ARABIA. A SAUDI AWACS COULD NOT, FOR INSTANCE, BE USED EFFECTIVELY WITH THE COMBAT AIRCRAFT OF OTHER ARAB COUNTRIES WITHOUT COMPATIBLE DATA LINKS AND EXTENSIVE JOINT TRAINING EXERCISES. TO BE USEFUL, INFORMATION COLLECTED BY AWACS WOULD HAVE TO BE PASSED VIA A COMPLEX, COMPUTERIZED, MULTI-NATIONAL COMMUNICATIONS NETWORK, WHICH NONE OF THE OTHER ARAB STATES IN THE REGION HAS. FURTHERMORE, EQUIPMENT FOR SUCH AN AWACS-COMPATIBLE NETWORK IS ONLY AVAILABLE FROM THE U.S. SAUDI ARABIA COULD NOT CONDUCT SUCH JOINT TRAINING WITHOUT OUR KNOWLEDGE, SINCE NEARLY ALL AWACS AIRCRAFT MAINTENANCE SUPPORT WILL BE PROVIDED BY U.S. CONTRACTORS FOR THE FORESEEABLE FUTURE.

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PERHAPS MORE IMPORTANTLY, SAUDI ARABIA WOULD BE MOST RELUCTANT TO COMMIT ITS OWN AWACS AND COMBAT AIRCRAFT AGAINST ISRAEL BECAUSE THAT WOULD LEAVE THE VITAL AREAS OF SAUDI ARABIA, AS WELL AS SAUDI MILITARY FORCES, EXPOSED TO ISRAELI COUNTERATTACK. AN AWACS AIRCRAFT CLOSE ENOUGH TO ISRAEL TO MONITOR ITS AIRCRAFT OPERATIONS WOULD BE UNACCEPTABLY VULNERABLE TO BEING SHOT DOWN BY ISRAELI FIGHTERS.

AS THE SAUDIS CLEARLY RECOGNIZE, PLANS TO EMPLOY THE U.S.-SUPPLIED AWACS AIRCRAFT AGAINST ISRAEL WOULD BE VIEWED WITH THE UTMOST GRAVITY BY THE U.S. AND WOULD CREATE A MAJOR PROBLEM IN OUR ARMS SUPPLY RELATIONSHIP -- AFFECTING THE PROVISION OF SPARE PARTS AND MAINTENANCE SUPPORT, NOT ONLY FOR AWACS, BUT FOR THE WHOLE RANGE OF U.S.-SUPPLIED MILITARY EQUIPMENT. REMOVAL OR EXPULSION OF U.S. PERSONNEL WOULD REMOVE ONE CONSTRAINT ON SAUDI USE OF AWACS, BUT WOULD CREATE A MORE SERIOUS ONE, SINCE THEY WOULD NOT BE ABLE TO MAINTAIN THE AIRCRAFT WITH ITS FULL CAPABILITIES FOR ANY LENGTH OF TIME WITHOUT U.S. PERSONNEL.

MOREOVER, IT SHOULD BE NOTED THAT THE SAUDI AWACS AIRCRAFT DO NOT POSSESS RADIO MONITORING OR SIMILAR INTELLIGENCE GATHERING CAPABILITIES.

THE LIMITED NUMBER OF AWACS AIRCRAFT THAT SAUDI ARABIA IS ACQUIRING MEANS THAT THEY WILL BE ABLE TO CONTINUOUSLY MONITOR ONLY ONE BORDER AREA AT A TIME, AND THEN FOR ONLY LIMITED

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PERIODS OF TIME. THE SAUDIS WILL USE THEIR AWACS TO CONTINUE TO PATROL THE PERSIAN GULF REGION AS THE HIGHEST PRIORITY. MOVING THEM ELSEWHERE IN THE KINGDOM UNDER CURRENT CIRCUMSTANCES WOULD NEEDLESSLY ENDANGER THEIR MOST VITAL ASSETS.

THE ADDITION OF AWACS TO THE SAUDI AIRCRAFT INVENTORY WILL STRENGTHEN SUBSTANTIALLY THEIR ABILITY TO DEFEND THEMSELVES AND THEIR NATIONAL INTERESTS. WE SHARE MANY OF THOSE INTERESTS. CONSEQUENTLY, THE U.S.-SAUDI COLLABORATION ON AWACS ADVANCES THE MUTUAL OBJECTIVES OF BOTH COUNTRIES AND DEMONSTRATES ANEW THE ADVANTAGES OF OUR CLOSE SECURITY RELATIONSHIP.

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Mr. HAMILTON. The Chair has a statement from Congressman Michael Barnes pertaining to the sale.

Without objection, we would like to make a copy of that statement available for the record.

Mr. Barnes, of course, was one of the principal authors of the legislation requiring the Presidential certification.

[The submitted statement of Mr. Barnes follows:]

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Washington, DC 20515

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CHAIRMAN
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MEMBER, ARMS CONTROL, INTERNATIONAL SECURITY AND SCIENCE
MEMBER, ASIAN AND PACIFIC AFFAIRS

STATEMENT OF CONGRESSMAN MICHAEL D. BARNES
MEMBER, COMMITTEE ON FOREIGN AFFAIRS
JULY 15, 1986

PRESIDENTIAL CERTIFICATION ON THE AWACS DELIVERY TO SAUDI ARABIA

Mr. Chairman, as the author of the legislation requiring Presidential certification on the transfer of AWACS aircraft and F-15 enhancements to Saudi Arabia, I am today as concerned as I was five years ago about the consequences of these deliveries. I strongly opposed these deliveries and still do.

I am still of the belief that these items jeopardize Israel's security and the prospects for peace in the Middle East. And I am just as concerned about the potential compromise of sensitive American technology. Most of all, I am troubled that in this deal the Saudis have given so little and we have given so much.

I ask the same questions I did five years ago. What if the Saudi royal family, an unrepresentative ruling elite, is overthrown and these sophisticated planes fall into unfriendly hands? What happens if, in a future Arab-Israeli conflict, the Saudis use their upgraded F-15s to attack Israel? How are we adding to Saudi security when there are AWACS aircraft operating there now under U.S. control? And how does severely limiting U.S. control over our hardware and technology enhance protection of our security interests and Saudi security interests?

What, truly, have we gained? In my estimation we have created additional security risks for ourselves and have complicated and added to Israel's security burden.

Mr. Chairman, I want to focus on the condition which stipulates that "the sale contributes directly to the stability and security of the area, enhances the atmosphere and prospects for progress toward peace, and that initiatives toward the peaceful resolution of disputes in the region have either been successfully completed or that significant progress toward that goal has been accomplished with the substantial assistance of Saudi Arabia."

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What troubles me the most about the President's certification on this point is that, in my judgment, it is reflective of what the Administration's expectations are with respect to the peace process. Clearly, these expectations are very low. I believe that the President has made the wrong political judgment in holding the Saudis to such a low standard. I do not characterize the items highlighted by the Administration as either "significant progress" or "substantial assistance". This is one case in which, for the goal of peace and for our own interests and credibility, we should have demanded more of the Saudis.

I believe that the President with this certification, has given short shrift to what is probably our most critical arms sale to the Middle East.

What have the Saudis done for peace? We are told that the Fahd Peace Plan and the Arab endorsement of the plan embodied in the 1982 Fez Communique constitute substantial assistance by Saudi Arabia towards peace in the region. But neither Israel nor negotiations of any sort are mentioned. The Fez plan also rejects the major premises of the Reagan 1982 peace plan. And the Saudis continue their public condemnation of Israel, characterizing the state as the "Zionist enemy", and the Saudis continue to lead the Arab boycott of Israel.

The Administration argues that Saudi financial support to Jordan following the resumption of Jordanian-Egyptian relations, and after the February 1985 agreement between Hussein and Arafat, constitute support for Hussein's efforts toward peace. Yet, the Saudis continue to bankroll the PLO and reportedly are ready to provide a total of $114 million in 1986 alone. And, to quote Deputy Assistant Secretary of State for Near Eastern and South Asian Affairs, Robert Pelletreau, "Saudi Arabia finances Syria to the tune of $500 million a year, despite . . . Syrian enmity against Camp David and the Jordan/PLO plan." What does that tell us about the Saudi commitment to the peace process?

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The Administration cites the Saudi public condemnation of terrorism and the "practical actions" they have taken "to oppose terrorism regardless of its origins."

What does this mean when Saudi Arabia continues to fund the PLO, long after many in the Arab world have ceased to do so?

Were the Saudis with us when terrorist activity was launched from Syrian-controlled terroritory against U.S. Marines in Lebanon and when Syrian-sponsored terrorist launched attacks against Jordan during King Hussein's consideration of the Reagan plan? No. Saudi subsidies to Syria continued unabated.

Were the Saudis with us when the United States imposed economic sanctions against Libya? No. The Saudis vowed to replenish to Qaddafi any resulting losses.

And where were the Saudis after the U.S. military action in the Gulf of Sidra? The Saudis called on other Arab countries to assist Libya in confronting the action.

In my view the Saudis have not given "substantial assistance" to efforts for peace in the region. Far from it. The record shows that the Saudis rather have consistently rejected any serious efforts for peace. They have opposed every significant American peace intiative in recent years. They have, in promoting the Fez Communique plan, rejected the major premises of the Reagan 1982 peace plan. The Saudis worked to undermine the May 17 Lebanon-Israel Accord of 1983 negotiated by the United States. And they have always opposed the Camp David Peace Treaty between Egypt and Israel.

The Saudis have worked against U.S. strategic interests by subsidizing Syria, by keeping oil prices as high as they could, by refusing to host American bases, and by assisting in the Kuwaiti-led effort to bribe Oman to cancel its access agreements with the United States.

Most importantly, the sale of these advanced weapons to Saudi Arabia will give the Saudis capabilities never before

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possessed by Israel's enemies. Such weapons will raise the cost to Israel of maintaining an adequate level of superiority over hostile Arab forces.

These deliveries make no sense if we are serious about our commitment to Israel. This Administration has not insisted on clear Saudi quid pro quos, and in doing is sending a message of weakness to Riyad and to the world. When President Sadat made his historic trip to Israel this Congress and the American people were ready to stand by a courageous man and his countrymen in our common search for peace in the region. When King Hussein tried to move the peace process, Congress showed its good faith by providing increased aid levels to Jordan.

No one can say that the United States is not willing to give, or has not demonstrated its genuine commitment to those who have taken the difficult risks that the peace process demands. But we should be clear that we do not give something for nothing. In this case we are. And we are getting a raw deal.

With this certification, the Reagan Administration is telling us that symbols and U.S. good will are more important than using our leverage for real progress toward peace in the Middle East. If we are willing to sell sensitive U.S. technology under these conditions, then I believe that a great nation has been swindled. If the Saudis cannnot deliver, then we should not deliver. Perhaps the Saudis are incapable of doing more. If that is the case, we can still provide for their security needs under the current conditions with U.S.-controlled AWACS aircraft.

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ASSURANCES SUBMITTED TO CONGRESS

Mr. HAMILTON. We will proceed under the 5-minute rule.

How many documents are involved here—how many documents contain all the assurances? Why can't we just have one single document?

Mr. ARMITAGE. Seven different documents contain all the assurances. They were negotiated at one time in some cases, for instance, the memorandum of agreement on the sharing of information, but in order to be absolutely faithful to the Hill, we found it necessary to go back and make sure that the agreement was still in effect, consequently we have an addendum to it which was the agreement that I signed on behalf of the U.S. Government.

We also——

Mr. HAMILTON. Have we seen all of those documents? Have they all been submitted to the Congress?

Mr. ARMITAGE. They have all been submitted to the Congress except for the detailed security plan which will be and can be made available to each and any of you. However, the forwarding letter to the security plan has been provided to the Congress, Mr. Chairman.

Mr. HAMILTON. Those documents contain all of the assurances, all of the conditions accompanying this sale?

Mr. ARMITAGE. They do, indeed, and they are both classified and unclassified.

Mr. HAMILTON. There are no other communications?

Mr. ARMITAGE. There are none that——

Mr. HAMILTON. None pertaining to this sale of any consequence?

Mr. ARMITAGE. No, sir.

DURATION AND LEGAL STANDING OF AGREEMENTS

Mr. HAMILTON. Now, do all of these agreements and understandings have the same duration and the same legal standing?

Mr. ARMITAGE. They certainly do and they are for the life of the aircraft.

Mr. HAMILTON. Would the violation of any one of the conditions break the entire agreement down?

Mr. ARMITAGE. Well, I guess theoretically it could. I think that we would have to see if it was a violation that was a violation of commission or omission and things of that nature.

Mr. HAMILTON. What happens if the agreement is broken?

Mr. ARMITAGE. Well, if the agreement is broken, I am sure the President would have to notify the Members of Congress that we have a violation of our assurances.

Mr. HAMILTON. And would we repossess the AWACS?

Mr. ARMITAGE. I would want to discuss that with the members of this committee and other committees. I say I think there is a difference between commission and omission and certainly a difference concerning what happened. For instance——

Mr. HAMILTON. Do these agreements that you mentioned spell out what happens if there is a violation?

Mr. ARMITAGE. No, they don't. However, there are specific conditions for sale so the understanding is that if the conditions are broken, then the sale can't continue.

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Mr. HAMILTON. Well——

Mr. ARMITAGE. Remember, the sale is not only just the provision of aircraft. It is also the provision of the follow-on logistics and maintenance, et cetera, et cetera.

Mr. HAMILTON. We will be getting into that.

DELIVERIES OF THE AWACS

Bring me up to date on the status of this sale. One question is, has a plane been delivered at this point?

Mr. ARMITAGE. That is correct. One AWACS has been delivered. It was.

Mr. HAMILTON. It is now in Saudi Arabia.

Mr. ARMITAGE. It was in the Kingdom on July 2, Mr. Chairman.

Mr. HAMILTON. The other deliveries occur when?

Mr. ARMITAGE. The second AWACS will be delivered August 31 if the schedule is met; the third AWACS on October 31 of this year; the fourth AWACS on December 31 of this year, and the fifth AWACS, March 31 of this year if the delivery——

Mr. HAMILTON. Of next year.

Mr. ARMITAGE. Sorry, next year.

Mr. HAMILTON. That will be all.

You anticipate that that schedule will be met at this point, do you?

Mr. ARMITAGE. That is correct, sir.

U.S. AWACS NOW IN SAUDI ARABIA

Mr. HAMILTON. We have United States Air Force AWACS planes in Saudi Arabia now. Will they be returned and when?

Mr. ARMITAGE. We have four U.S. Air Force AWACS there and they will be eventually returned to the Kingdom. The first may be—excuse me, to the United States. The first may be returned in early summer.

Mr. LANTOS. We are still a republic. Other places are kingdoms.

Mr. ARMITAGE. I beg your pardon?

SAUDI PAYMENTS

Mr. HAMILTON. The Saudis have made some payments. Can you tell us what those payments are, how they were made and the status of them?

Mr. ARMITAGE. Yes, sir. My record shows that approximately $2.6 billion has been paid by the Saudis on this sale to date.

Mr. HAMILTON. And the total payment is expected to be what?

Mr. ARMITAGE. The total payment for the AWACS and tanker aircraft alone is some $3.1 billion. There are associated ground radars and follow-on support equipment that goes with it that over the life of the AWACS aircraft would total as much as $7 billion.

Mr. HAMILTON. Now, when will the payments be completed?

Mr. ARMITAGE. Well, for the AWACS, the $3.1 billion will be completed before the AWACS and the tankers have been delivered. The follow-on support and ground radars will follow on and I don't have the exact schedule of payments. I can certainly provide it. Presumably, over the life of the sale, but I will check.

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[The information submitted follows:]

Saudi payments against the Foreign Military Sales case for AWACS and tanker aircraft began in November 1981 and will continue quarterly through March 1989. The remainder of the payment schedule is as follows:

	Amount	Cumulative
Payment date:		
September 15, 1986	$142,800,000	$2,643,000,000
December 15, 1986	115,600,000	2,758,600,000
March 15, 1986	94,000,000	2,852,600,000
June 15, 1987	70,300,000	2,922,900,000
September 15, 1987	53,100,000	2,976,000,000
December 15, 1987	38,700,000	3,014,700,000
March 15, 1987	36,600,000	3,051,300,000
June 15, 1988	35,100,000	3,086,400,000
September 15, 1988	34,900,000	3,121,300,000
December 15, 1988	34,800,000	3,156,100,000
March 15, 1989	34,825,713	3,190,925,713

AMERICAN SUPPORT FOR AWACS EQUIPMENT

Mr. HAMILTON. How many Americans will be serving in Saudi Arabia on missions that are related to the AWACS equipment?

Mr. ARMITAGE. We don't have a precise agreement. We have a TAFT or technical assistance field training team of 16 people in the Kingdom dedicated solely to this mission, that is concerned with working with the Saudis to be able to operate the AWACS. There will be a need for follow-on logistics personnel to help manage the logistics program.

There are presently 117 of those in the Kingdom, but they are not all dedicated to the AWACS logistics program. It will be a function of how quickly the Saudis can pick up those tasks, Mr. Chairman.

Mr. HAMILTON. Mr. Smith.

THIRD-PARTY ACCESS TO EQUIPMENT

Mr. SMITH of New Jersey. Thank you, Mr. Chairman.

Mr. Armitage and Mr. Murphy, welcome again to the subcommittee. I have a few questions I would like to pose.

First of all, we were told back in 1981 that only United States and Saudi personnel will have access to the AWACS equipment and to the information. Your report to Congress in June 1986 said that Saudi Arabia will not permit citizens of third nations either to perform maintenance on the AWACS or to modify any such equipment without prior explicit mutual consent of the two governments.

I was wondering if you could tell this subcommittee why the change, and is this perhaps an opening to third-party access to that equipment?

Mr. ARMITAGE. Yes. There is no, right now, envisioning of any access to third countries to the secure portions of the AWACS, nor to the data that is collected by the AWACS. That has not changed from 1981 when the Baker letter was submitted to Congress.

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It could be a future time when we want to give that data to some other country and we would have the ability to make a determination on that.

Regarding third-country nationals who work in Saudi Arabia, whether they are Pakistanis or Filipinos or Koreans, they will not be allowed in the secure areas. However, it may be that they are in areas that you have AWACS-related duties, such as some sort of maintenance hangars for the engines or something of that nature for the AWACS. They will not have access to secure zones, nor will they be allowed into unsecured zones without escort.

THIRD-COUNTRY TRANSFERS

Mr. SMITH of New Jersey. For the record and our assurance, the AWACS cannot be transferred to any third country under any circumstances—can they?

Mr. ARMITAGE. That is correct, sir.

NO FLIGHTS OUTSIDE SAUDI BORDERS

Mr. SMITH of New Jersey. The usual arms sales agreement says the equipment sold is to be used for defensive purposes only. But the Saudi AWACS agreement adds that there will be no flights outside the borders of Saudi Arabia without prior United States consent.

Did the agreement reached with the Saudis stipulate the added condition of no flights outside the Saudi borders?

Mr. ARMITAGE. Without consent, that is correct.

Mr. SMITH of New Jersey. Do they have to have our consent?

Mr. ARMITAGE. Yes.

Mr. SMITH of New Jersey. What does this mean relative to flights in the Persian Gulf? They have to obtain our consent?

Mr. ARMITAGE. First of all, they would not, in my view, or the U.S. Air Force view, fly out over the Persian Gulf in order to get the coverage they need in that part of the country. They have orbits over their own country depending on the size of target and height of the AWACS orbit. You can see between 240 miles and 300 miles or so. So, there is no need to go out over the Persian Gulf.

Theoretically, indeed, they could fly over international waters, but it would not be sound militarily. They could not fly over the air space of any other country.

Mr. SMITH of New Jersey. Thank you, Mr. Chairman.

Mr. HAMILTON. Mr. Lantos.

OPPOSITION TO THE SALE

Mr. LANTOS. Thank you, Mr. Chairman.

Before we get to details, let me just state for the record when the high industry books will be written for this period, this decision to sell the AWACS will prove to be one of the most incomprehensibly stupid and misguided decisions in our history. And this hearing, which has an Alice in Wonderland quality, in its attempt to prove that the Saudis have made great contributions to peace, will result in dramatically reducing the credibility of those who so testified. I wonder why there is no discussion of the fact that the Saudis have

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opposed the one significant move toward peace, the Camp David Accords. Furthermore, they have punished Egypt for signing the Camp David Accords by breaking diplomatic relations with Egypt. Those diplomatic relations have not been restored. The Saudis also have contributed heavily financially to the terrorist activities of the PLO. They are contributing heavily to Iraq thereby endorsing at least implicitly the use of chemical weapons by Iraq. They are bankrolling pro-Soviet Syria, which has recently been found by the British to have taken an active part in terrorist activities relative to private commercial airliners.

I find that our reference to the Soviet use of disinformation has a very hollow ring when we, ourselves, apparently are capable of engaging in selective perception of reality bordering on disinformation.

SAUDI ATTEMPTS TO SETTLE THE IRAN-IRAQ WAR

I was particularly struck, Mr. Secretary, by your observation about the many Saudi attempts to settle the Iran-Iraq war, Secretary Murphy, while I think you are absolutely accurate that the Saudis have attempted to settle the Iran-Iraq war, you must examine the motivation behind that pattern of activity. What they would like to see would be a united Arab front against Israel.

The reason they want to settle the Iran-Iraq war is to get rid of what they view as internecine war.

My first round of questions really relate to a request of Secretary Murphy to comment on the items I touched upon: the Saudi denunciation of the Camp David Accords, breaking of diplomatic relations with Egypt, continued bankrolling of terrorist activity by the PLO and other terrorist groups, and the funding of Syria.

The question I would like to raise of Mr. Armitage is a followup to our chairman's question. You mentioned, Mr. Armitage, that you wanted to discuss this with members of this subcommittee. Well, this is the time and place to discuss it.

What happens if the Saudis violate the agreement? Do we repossess the aircraft? What provisions have been made to effectively deal with Saudi violations or a change of regime in Saudi Arabia, which I might add is clearly conceivable?

Secretary Murphy.

SAUDI OPPOSITION TO CAMP DAVID

Mr. MURPHY. Thank you, Congressman.

Let me take point by point your assertions on the Saudi posture. On Camp David opposition, they did join the bulk of the Arab world back at the Baghdad summit in 1979 in cutting diplomatic relations with Egypt. The Saudis, including King Fahd, have spoken about the need to bring Egypt back into the mainstream. They operate—and the King exemplifies this—under the very strong conviction that if major decisions taken of an Arab summit should be reversed if they ought to be reversed at an Arab summit. Therefore he has not—the Kingdom has not—reestablished its relations with Egypt.

Mr. LANTOS. Can I stop you on that point for a second? If in fact unanimity is desired along these lines, then clearly the most in-

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transigent members of the group will dictate the terms. Isn't that a reasonable assumption?

Mr. MURPHY. The most intransigent tend to slow things down, but, in my experience, not to dictate the terms. They are a drag, they are very heavy baggage, and that is the price they pay for consensus, yes. I have spoken about the interview the King gave to the leading major Egyptian newspaper, Al-Ahram, a couple of weeks ago. There have been other statements made from Riyadh directed to Cairo, expressions of support at the time of the security police riot last February.

The Saudi interest section in Cairo today is larger than the former Saudi Embassy was at the time relations were broken. There is a political contact, a cultural contact, an educational, a financial contact with the Republic of Egypt today.

Now, we would like to see relations restored. We do take note of the fact that they contributed to getting Egypt back into the Islamic Conference. I made that remark in my opening statement.

Regarding resumption of relations, they didn't take the lead. King Hussein took the lead as the first to restore relations. But as I have noted, they didn't penalize King Hussein. In fact, they publicly announced continuation of their financial support for Jordan after the King's decision to resume relations. But they do take the position that the major decision taken at the summit has to be dealt with at a summit, and there hasn't been a summit since the last one at Fez, a full regular Arab summit.

SAUDI CONTRIBUTIONS TO THE PLO

Contributing to the PLO, contributing to terrorism, they have a very strong stand against terrorism. Yes, I know money is fungible and that moneys paid, as they have tried to pay them to the Arafat wing, which we have discussed in previous hearings—as they see it, is money paid to the more moderate parts of the PLO interested in a political solution. They have not paid that money to the radical elements under the influence of Damascus, such as the Hawatmi and Habash groups.

SAUDI CONTRIBUTIONS TO IRAQ

They have contributed heavily to Iraq, yes. Now, what is their motivation? Is that motivation? I would reject the interpretation that that motivation is just to get a united Arab front together against Israel and wipe Israel out, just to get rid of internecine warfare. No, to bring that war to an end, an end to the clear and imminent threat they have faced for the last 6 years from Tehran, the philosophy of Tehran, the Khomeini-inspired move against the conservative Arab governments, the motivation is very much self-interest. It is also very much Arab interest, as they see it, against the Iranians.

I do not buy the line that Saudi Arabia is on the highroad planning a long-term campaign to bring an end to the State of Israel. They never have, and I have never seen any basis for that in all of my own contacts with them.

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SAUDI POSITION ON CHEMICAL WARFARE

On chemical warfare we have denounced it publicly, privately at the United Nations, and I think we have a very clear stand as a government on that.

Mr. LANTOS. I wasn't questioning our stand on the use of——

Mr. MURPHY. Their stand is not in favor of it, Mr. Congressman.

Mr. LANTOS. Is there any statement on the record?

Mr. MURPHY. I would be happy to research and report back on that.

[The information submitted follows:]

The Saudis have consistently, most recently on December 12, 1985, voted in support of U.N. General Assembly Resolutions seeking to prohibit the development, production and stockpiling of all types of chemical weapons and called upon all states not yet parties to the Protocol for the Prohibition of the Use in War of Asphixiating, Poisonous or Other Gases, and of Bacteriological Methods of Warfare to become parties to the Protocol.

WHAT HAPPENS IF THE AGREEMENT IS VIOLATED

Mr. MURPHY. The question that the threat was a change of regime—I am sorry, how did you want me to address that?

Mr. LANTOS. This is really a question to both of you. What happens if the Saudi regime, either the current one or a successor regime, violates the terms of the agreement? That is the question our chairman asked of Mr. Armitage.

Mr. ARMITAGE. With your permission, Congressman Lantos, I will take it in reverse order.

Mr. LANTOS. Please.

Mr. ARMITAGE. On a change of regime—and before I answer I have to note for the record that the Kingdom of Saudi Arabia has gone through some events which would have shaken lesser stable governments, and I refer to the assassination of King Faisal, the events of Mecca which were disturbing to all of us, the death of King Khalid in 1982, the plunging petrodollar and threats from Iran, and it has remained rather stable. But you ask the question what would happen.

First of all, if there were to be a change of regime and some country which had great differences of opinion with the United States, Warsaw Pact, Soviet Union, or something, were to in some way increase their influence in that region, the technology losses itself might not be what you would think, Congressman.

The 707, which is the basic platform for the AWACS, is 1960's technology and the radar is commercially available. What makes the AWACS work is the source codes and crypto gear. The source codes are retained by us. If the executed software were to fall into enemy hands, first of all, it could not be unscrambled, we feel, by experts in anything short of years. And if they were, they could not be harmful to us because we could change the parameters. The same is true of crypto key, which is changed on a daily basis. So the losses in itself are not a long-term threat of a technology loss to us.

The question then becomes, What if it fell into the possession of a regime who had very strong feelings against Israel and wanted to use the AWACS against Israel; what would we do?

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Well, as we have done with others who violated agreement terms, we would at least withhold logistics and at least withhold training, without which we feel the applicability and effectiveness of the AWACS would rapidly go downhill an become in the not too distant future unable to be used. I think the instructive example of Iran is interesting. How quickly in real terms they deteriorated when we stopped our support.

Mr. HAMILTON. Mr. Gilman.

Mr. GILMAN. Thank you, Mr. Chairman.

Mr. Chairman, if I might just take a moment, I would like to welcome the Korean exchange students who are with us today. They will be serving as interns in our offices and they are seated in the back of the room.

SAUDI ROLE IN THE PEACE PROCESS

Mr. Chairman, one of the things that I think concerns us all is the basis for the certification that Saudi Arabia has been moving in that direction to be of support to us in the peace process. While I regret I wasn't here during Mr. Murphy's testimony, I have skimmed through his prepared statement.

Mr. Murphy, I would like to ask if you would tell us some of the major areas which Saudi Arabia has been helpful to us in the peace process.

Mr. MURPHY. We addressed the question, Congressman, of Saudi help in regional peace as well as in the peace process.

Mr. GILMAN. Can you cite some specifics for us?

Mr. MURPHY. In terms of regional peace, the role they tried to play in the Iran and Iraq war, they have tried to develop their own defensive systems so they could be as self-reliant as possible and not call on outsiders—and I have in mind the United States—for help. They want to develop, they played a responsible role within the Gulf Council in organizing the joint military efforts and postures of the smaller member states of the Gulf Council.

On Lebanon, they were very visible at the period of a very complicated bloody period in the Lebanese conflict in 1982—in 1981-82, working in support of a cease-fire in Lebanon. That involved the Crown Prince Abdullah, that involved Prince Bandar, the present ambassador to Washington. It was very high profile and very unusual the public role they played at that time.

On the Reagan initiative, they took the position that they are not directly involved in the conflict, they did not reject the Reagan initiative. They considered it the most far-reaching stand taken by an administration in several years, and they were supportive of that. Their posture has been that their support goes to what agreement could be worked between Hussein and the PLO. They subscribed, along with the other Arab states, back in 1974 to the role of the PLO, as what was described as the sole, legitimate representative of the Palestinian people. So they have encouraged efforts of Hussein to work with the PLO, and this was manifested in 1983, in his first major attempt, and manifested it through the last year, up through the impasse in 1986.

They are not out in front on the peace process in terms of bringing up specific ideas or plans. But what they did in forming the

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consensus—and you only have to contrast the consensus that existed from 1967 onward—the Arab consensus were the three noes of Khartoum: no negotiation, no recognition and no conciliation with Israel.

In 1981, the Fahd plan, which became the Fez Communique a year later in 1982, issued just after President Reagan's initiative and adopted by the Arab summit, was the first major reworking, reorganizing, reordering of the Arab consensus.

And for that I think considerable credit goes to the Saudis. It's not perfect from our point of view. We have disagreed with elements in the Fez initiative but we see it today, and saw it at the time it was issued, as a major turning point in the Saudi position on this matter. We saw it as the single most important accomplishment of the Saudis that Crown Prince Fahd put into the Fez plan.

SAUDI SUPPORT FOR SYRIA, LIBYA, AND THE PLO

Mr. GILMAN. How do you balance some of these indirect supports that you mentioned with the fact that they have given no financial help to Egypt, that they do provide financial support for Syria and the PLO, and verbal support for Libya at the time of our last initiative?

Mr. MURPHY. We don't agree with every way the Saudis choose to spend their money. I would never come up here and argue that. They do so out of conviction that their aid serves Saudi national interests, that their aid reflects political and power realities in the region. They have given consistent support to Hussein; they recently gave—and I think it was something I said in my introductory statement, Congressman—about 2 weeks ago they did make a public gift to Egypt of some 200,000 tons of Saudi wheat, and there is an extensive political, diplomatic, cultural interplay with Egypt.

There are hundreds of thousands of Egyptian workers in Saudi Arabia whose presence has never been threatened because of disagreements over foreign policies, specifically over Camp David. They have been welcoming to the Egyptians.

On Libya, they have not given aid. The single announcement which caught so much attention of regret of our attack on Libya was issued by an anonymous official source in the kingdom; it was an official statement but it regretted the harm done to the Libyan people and urged that actions be taken internationally in the United Nations and political fora. It was in no sense an expression of support for Colonel Qadhafi. He was not mentioned by name. It was the minimal bow to Arab solidarity.

On other forms of assistance, for instance, to Syria, they do see Syria—and I guess we would not argue with it—one of the major military powers in the region. They consider it important that they maintain an open dialog with Syria on all regional issues in which the Syrians could become involved. Their links of communications with the Syrians on occasion have served our interests when our own relations were particularly tense. I can't go into detail on that, but they have seen their role as keeping those channels open.

Mr. HAMILTON. Mr. Smith.

Mr. GILMAN. Mr. Chairman, just one question of Mr. Armitage.

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SECURITY ARRANGEMENTS

With regard to the security arrangements of the AWACS, do we intend to have personnel there at all times keeping an eye on the AWACS?

Mr. ARMITAGE. We do indeed, and we also have the right of unannounced inspection, Congressman Gilman.

Mr. GILMAN. And can we go in at any time and inspect the equipment?

What do we do if they violate any of those terms?

Mr. ARMITAGE. I tried to respond to Congressman Lantos' similar question that we will do, depending on what the violation is, whether it is a commission or omission violation, we have in the past when countries have violated the terms of a sale, we have stopped the follow-on support, stopped follow-on maintenance, stopped training, all those things, and in this case, this would bring the AWACS program rapidly to a halt.

Mr. GILMAN. That would not stop the usage of the AWACS; they would be fully capable of using it.

Mr. ARMITAGE. For a very short time, Congressman.

Mr. GILMAN. How would cutting off the logistics——

Mr. ARMITAGE. I might add there would be no way the AWACS can be maintained, these planes have to be maintained continuously.

Mr. GILMAN. They don't have the maintenance capability?

Mr. ARMITAGE. They at present do not have the maintenance capability. They have a very limited manpower pool from which to draw that training capability and we envision having contractors there for the foreseeable future.

Mr. GILMAN. Thank you, Mr. Chairman.

Mr. ARMITAGE. I wanted to add, I don't know if I made the comment to Congressman Lantos, but he will certainly be interested, there is no way in our view that a violation could ensue without our knowing it.

Mr. GILMAN. Thank you.

Thank you, Mr. Chairman.

Mr. HAMILTON. Mr. Smith.

SAUDI ROLE IN LEBANON CEASE-FIRE

Mr. SMITH of Florida. Thank you, Mr. Chairman.

Mr. Ambassador, I would like to go back to some of the items contained in your written statement where you attempt to justify the administration's position on the certification which is an integral part of the sale of the AWACS to the Saudis, the delivery of the AWACS to the Saudis as well.

For instance, on page 6, Lebanon, it says, "Saudis played a major role in arranging the cease fire in the Shuf Mountains in September 1983 and Crown Prince Abdullah and Prince Bandar engaged in high profile shuttle diplomacy."

Is that the same Crown Prince Abdullah who said, "once Muslims achieve unity of will and action, Israel will be annihilated and disappear"; on September 13, 1984, a year after this alleged shuttle diplomacy?

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Was it diplomacy to bring the warring factions in Lebanon together so that he could say, once Muslims achieve unity of will and action, Israel will be annihilated and disappear? Or, for instance, King Fahd, after his meeting with President Reagan in February of last year, telling Arab ambassadors in Washington that the armed struggle against Israel is an existing necessity, which was reported in the Kuwait news agency on February 20, 1985? Or the Saudis condemning and supporting punishment of Spain for establishing diplomatic relations with the Zionist enemy; Kuwait news agency, January 31, 1986?

Is that the helpful Saudis?

Mr. MURPHY. I don't have the text in front of me that you quoted, Congressman. The statements——

Mr. SMITH of Florida. Assuming the quotes are legitimate.

Mr. MURPHY. I assume they are accurate.

Does that affect what I say about their efforts to bring a cease fire to Lebanon? No; one of the bloodiest, nastiest civil wars of our time.

Mr. SMITH of Florida. Peace in the region is what is in the certification, Mr. Ambassador, not the end of Lebanese civil war.

Mr. MURPHY. Peace in the region, yes, is in one sense going to be the sum of its separate conflicts.

Mr. SMITH of Florida. OK. So let's talk then about the Arab-Israeli conflict which is another piece of the sum of its parts and a part that would contribute to the whole, like the ending of the Iran-Iraq war.

As to Saudi initiatives, going to page 7 of your statement, the most notable Saudi initiative is the Fahd peace plan which eventually became the Fez Communique.

Mr. MURPHY. I think that is perhaps, as I say, their single most striking move, yes.

SAUDI ASSISTANCE TO JORDAN

Mr. SMITH of Florida. How about the fact that Secretary of State Shultz told the Senate Foreign Relations Committee on June 19, 1985, after the Jordanian rapprochement with Egypt that assistance to Jordan from other Arab states including Saudi Arabia was down 50 percent and Saudi Arabia refused to finance Jordanian arms purchases.

In response to an American appeal for Saudi backing of King Hussein in February 1985, King Fahd offered no specific commitment, reported in the Middle East policy survey.

Prince Bandar Bin Sultan threatened to end Saudi subsidies to Jordan, reminded Hussein of an overdue bill if he was not forthcoming in his talks with Arafat, reported in both the Wall Street Journal and Washington Post.

Saudi foreign minister, Saud El-Faisal, warned King Hussein against entering the peace process in March 1983. King Hussein himself complained about the Saudi role, describing the Saudis as unhelpful; Christian Science Monitor in March 1983.

Where are the efforts in that part of that total whole, that is, the Arab-Israeli conflict, where you can tell me in opposition to what I

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have read to you that the Saudis have taken a position of being helpful?

Now, this is not the Lebanese war; this is another part, the Arab-Israeli conflict.

Mr. MURPHY. Well, you got the two wings of war out there, the Lebanese and the Iraq-Iran war, but you want to talk just about the Arab-Israeli conflict, which is not the reason underlying the sale and proposed deliveries of the AWACS aircraft.

SAUDI ROLE IN ARAB-ISRAELI CONFLICT

Mr. SMITH of Florida. I understand, but the certification says, if I am not mistaken, that the Saudis have been in fact helpful to bring peace to the region. You have said that peace to the region means more than just delving into one aspect of the conflict.

Mr. MURPHY. Yes; it does indeed.

Mr. SMITH of Florida. Now, we talked about the Lebanese conflict where you tell us they have been of help in trying to arrange a cease fire in Lebanon and I quoted you three or four things where they publicly make statements about the fact that it will never in fact bring peace to the region until Israel is no longer a state.

Then we talked about the problem of Arab-Israeli conflict directly, and I give you quotes that the Saudis have threatened King Hussein, King Hussein saying they have not been helpful in the peace process; they cut off the money, et cetera, et cetera.

Mr. MURPHY. I don't see evidence of threatening King Hussein. I see continued financial support from Saudi Arabia to Jordan, which has never been interrupted from the 1979 commitment, the only state that has continued its commitment to Jordan.

I see great caution on the part of the Saudis about peace initiatives. We have been cautious ourselves. We evaluated the Hussein-Arafat agreement with great caution.

I think you remember the statements that then National Security Director Mr. McFarlane said, that it was a milestone but a milestone of many milestones ahead.

We didn't give unequivocal backing to that effort by any means. Nor did the Saudis. They have seen themselves in the second rank in the back stage waiting to see how things can develop, but continuing a policy of support of Jordan and of the other country of Syria.

SAUDI SUPPORT FOR JORDAN

Mr. SMITH of Florida. My time is up, I see, but to quote you, Saudi Arabia's support for King Hussein's efforts have been substantial. Would you please tell me your definition of "substantial" in terms of reflecting the actualities of what they have done?

Mr. MURPHY. Both, yes, in dollar terms, what is it, $529 million a year? I can get you the exact figure. I think that is it.

Mr. SMITH of Florida. They were doing that even before there were any peace efforts. So let's lay that aside.

Mr. MURPHY. No; don't lay it aside, because they continued after he took a very dramatic stand, which some have said Saudi Arabia opposed. If Saudi Arabia opposed it, they would not be paying $529 million a year.

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Mr. SMITH of Florida. So the money aspect is substantial proof?

Mr. MURPHY. Yes.

Mr. SMITH of Florida. But the fact they refused to help Jordan when Jordan recognized Egypt, then they——

Mr. MURPHY. They were consistently encouraging Jordan and Arafat to reach a compromise that would allow the King to move forward in the peace process. That was consistent.

Mr. SMITH of Florida. Well, just to leave you with this thought, according to this report, King Fahd declared that on September 27, 1984, instead of joining King Hussein in establishing relations with Egypt, the King declared that Saudi Arabia would adhere to the Arab summit resolution of continued ostracism of Egypt.

You just told me something entirely different. You told me that they have encouraged Jordan.

Mr. MURPHY. Yes; that is right.

Mr. SMITH of Florida. So what you should do is do as we say and not as we do. Is that the helpful part of the Saudi peace process?

Mr. MURPHY. I think it has been helpful. Jordan took an initiative; they supported it.

RESTORATION OF SAUDI-EGYPTIAN RELATIONS

I mentioned the way that the diplomatic-political contacts with Egypt have continued, you have had Yamani, the oil minister, discussing OPEC business in Cairo. There is a Jordan-Egyptian community in Saudi Arabia and Egypt. Egypt has some $2 billion, I think, of remittances from Saudi Arabia. They have not restored diplomatic relations. We hope they will soon.

They will do it in the context of an arab summit consensus. That is their position.

Mr. SMITH of Florida. If that never comes and they never do, what do we chalk that up to—"well, that is the way the Saudis are"?

Mr. MURPHY. Well, no, that is their style.

Mr. SMITH of Florida. And this, it seems, is our style.

Thank you.

Mr. HAMILTON. Mr. Feighan.

Mr. FEIGHAN. Thank you, Mr. Chairman.

I certainly would want to associate myself with the introductory comments of the gentleman from California, Mr. Lantos, and I think the intent of some of the questioning of the gentleman from Florida that one has to go through some incredible amount of almost impossible mental gymnastics to come to the conclusion that the condition of substantial, significant progress and substantial assistance of Saudi Arabia toward the peace process has been met.

But that seems to be the hallmark of Presidential certifications in recent years, that they are sufficiently vague and ambiguous to allow for either interpretation.

SECURITY ARRANGEMENTS

Secretary Armitage, I would like to ask with respect to security, the specifics under the agreement, is it your office that would have

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ultimate responsibility for insuring security with respect to the AWACS?

Mr. ARMITAGE. No; it would be our U.S. Central Command in military terms, I have the policy responsibility to assure that it is lived up to, but the actual physical inspections, things of that nature, will come under the Central Command, sir.

Mr. FEIGHAN. And then, are those reports filed with you, or will they be?

Mr. ARMITAGE. Yes, they are. They are filed obviously back at Central Command Headquarters, also with a copy sent to me.

Mr. FEIGHAN. If a judgment would have to be made about additional American personnel, as I understand it under the terms of the agreement, we can assign additional American personnel for security purposes.

Mr. ARMITAGE. That is correct.

Mr. FEIGHAN. Whose decision would that be?

Mr. ARMITAGE. Well, in DOD's terms, it would be the Secretary of Defense. It would come with my advice. I am the initial point of policy contact.

Mr. FEIGHAN. And if that instance were necessary, where it was felt that we should assign additional American personnel for security purposes, is that a unilateral decision, or do the agreements require that that be a mutual decision between our Government and the Saudis?

Mr. ARMITAGE. Well, in the first instance, we would certainly want the Saudis to do it, but we have ultimately the responsibility to assure that the security arrangements are lived up to, or else we wouldn't be able to faithfully represent this to the Hill, not just this subcommittee, but the entire Hill.

Consequently, it would be a mutual consent agreement, but one in which they weighed heavily in our favor. I think we would get the benefit of the doubt. The Saudis would be allowed to put extra personnel in.

I must tell you very frankly, we would be in a bad situation indeed if we had to put in additional American forces to provide security for the AWACS with the level and depth of plans that we already have existent, Congressman.

TRAINING PROGRAM

Mr. FEIGHAN. Let me ask you further, then, with respect to training, is it your office that currently would have ultimate responsibility for insuring that training proceed as expected?

Mr. ARMITAGE. No, not really. The U.S. Air Force handles the training case. I have the oversight, if the training wasn't going to work, or if the Saudis were reacting badly to it, then I would get engaged, because it would mean we would have to change the terms of the follow-on agreement, or if they were not performing up to standards, we would have to have longer term cases, FMS cases, so in that respect, I would get engaged, but the training itself is an Air Force program.

Mr. FEIGHAN. Is that training then done, Mr. Secretary, by both Air Force personnel as well as contract personnel?

Mr. ARMITAGE. That is correct.

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Mr. FEIGHAN. And it is anticipated that that would be a continued mix of training over a long period of time?

Mr. ARMITAGE. Indeed, well into the nineties, I might add, Congressman.

Mr. FEIGHAN. Do you currently receive status reports of training?

Mr. ARMITAGE. I do receive copies of the messages which are sent back to CENTCOM Headquarters from the TAFT teams.

U.S TRAINING TO THE SAUDIS

Mr. FEIGHAN. Let me ask how long have we been conducting actual onsite, if I can say, training to the Saudis?

Mr. ARMITAGE. Let me check. On the AWACS itself or in general?

Mr. FEIGHAN. On the AWACS specifically.

Mr. ARMITAGE. Since the sale was approved, there are now two trained Saudi crews. They were trained here and we are working on two other crews in the kingdom now.

Mr. FEIGHAN. Could you give us your reevaluation of how that training has proceeded since we are now getting to the critical juncture of transfer?

Mr. ARMITAGE. Yes; I will give you my impression, and I would like to provide for your record the definitive answer, but we know there is a problem with the manpower pool. There is not enough manpower, but we found so far, as far as the crews, the crew of the AWACS are a very receptive group, and they have taken to the training quite well.

[The information follows:]

Both mission and flight crew personnel began ground training in Saudi Arabia in April 1986. Special training to acquaint Saudi flight crews and USAF Technical Assistance Field Team personnel with the CFM-56 engine began in July 1986 after delivery of the first Saudi E-3A. All in-country training is proceeding on schedule.

Mr. ARMITAGE. The maintenance training is going to be a longer haul, and the care of the radars and associated electronic equipment is going to be a longer process. I believe that is not quite up to the same status as the air crews themselves, Congressman.

WHO HAS ACCESS TO AWACS EQUIPMENT

Mr. FEIGHAN. I have just one final question. Originally, the Congress had been informed that only the United States and the Saudis, the Saudi personnel, would have access to AWACS equipment and information.

In the report that you submitted to the Congress of last month, that seems to be modified substantially by suggesting that the Saudis would not engage individuals other than Saudis or American personnel unless it was with mutual consent with the United States Government.

What was the purpose of that change?

Mr. ARMITAGE. There is no change. This provision is included in the Baker letter dated October 28, 1981. First of all, regarding the data which is gained from an AWACS flight, that could not be passed to any other country without the consent of the United States in real time, and that has not changed.

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There could be a case, and I don't have any information that there might be, but some future time, Bahrain or someone would feel under some threat that might need some data, and if we agreed with the Saudis that it was in our national interest as well as Bahrain's to do it, there could be a case we pass data, but I think what you are referring to concerns third countries' national access.

They will have some access to nearby facilities to AWACS, for instance maintenance facilities. They will not have access to secure facilities or areas in which the classified work is done on the AWACS.

They will not have access to any of the computer software, for instance. There will be third country nationals who provide menial tasks, and these will have some access to nearby facilities to the AWACS and perhaps perform tasks that are related to the AWACS, but not tasks that are security or classified related.

Mr. FEIGHAN. Thank you, Mr. Secretary.

Mr. HAMILTON. Mr. Levine.

THE PEACE PROCESS

Mr. LEVINE. Thank you, Mr. Chairman.

Gentlemen, I, too, believe that this hearing really adds up to the conclusion that the administration is engaged in a quite elaborate process of fiction in order to justify a decision that was made 25 years ago, and in order to try to make the facts look like they fit the historical circumstances when in fact they do not.

I was particularly intrigued, Ambassador Murphy, by your continuous reference to the Fahd plan and the Fez plan. Regarding the highlights of Saudi activity with regard to attempting to make a contribution to the peace process: These very plans if they are scrutinized and analyzed in terms of this specific content, make no reference to Israel as a state, no reference to Israel's right to exist, and in fact, especially in paragraph 7 of the Fahd plan, underscores Saudi Arabia's consistent point of view that Israel is not a country in the perspective of the Fahd plan.

But I think that we can go back and forth and have gone back and forth now over a period of months, if not years, with regard to differing interpretations. Obviously, we are not going to convince you and you are not going to convince us.

We have gone through this now for a long period of time. You present your testimony and your arguments. It has obviously not convinced this panel, and has not convinced the full committee, and it has not convinced the Congress as a whole, and rather than continue to engage in these debating points, and go back and forth with regard to these questions which we could continue to debate, I would just like to spend a moment or two on a reality that does exist in terms of recent activity, and ask for your views with regard to it.

CONGRESSIONAL VOTE ON THE SAUDI ARMS SALES PACKAGE

That reality was what happened in Congress within the past 60 days, when the missile sale was sent up to the Hill from the White

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House with regard to the package that this administration was so determined to sell to Saudi Arabia.

Now that package was extraordinarily pared down, appropriately, I believe, from the initial wish list that both the administration and the Saudis had. The planes were taken out of it.

Other component parts were taken out of it, and what was finally sent up to the Hill consisted of a small fraction of what the administration wished in the first place, and what the Saudis wished, and in order to obtain even that, after overwhelming rejection by both Houses of Congress, the administration had to go back to the drawing boards and take the Stinger missiles out of the package, which was another improvement.

The best improvement would have been no package at all. But the votes, I think, said a lot, and I would like to talk to you about that for a moment.

The House, after very eloquent testimony, from you Ambassador Murphy, and I think you make the case as well as it can be made, and I think you have a very difficult job in making the case, and I admire your skill and your ability in doing it—but after your eloquent presentations and after Secretary Armitage, appropriately on behalf of his Department made the case that needed to be made, the House voted 356 to 62 against the sale.

The Senate—I am sure you don't need to be reminded—voted 73 to 22 against the sale, and after a Herculean effort by the President himself, the package was salvaged by a one vote margin in terms of a veto override in the Senate.

This was the first time in the entire history of arms sale proposals to the U.S. Congress that even a majority of both Houses said no to any Presidential request to sell any weapons to any country on the face of the globe, and not only did a majority of the House and a majority of the Senate say no, but they said it in overwhelming numbers, very clearly, and I should also emphasize in the absence of outside advocacy, at least against the sale.

Frequently, these votes have been interpreted to be political votes, and I think if there was ever an illustration of a vote that was cast by the Members based upon what they believed to be in the national security interests of the United States of America, there was not outside advocacy on this vote, this was the vote, and the rejection was overwhelming.

Frankly, I believe, and I believe it based upon what I heard in public, and I believe it based upon what I heard in private from Members, when I talked to Members on both sides of the aisle about this vote, it was not difficult to convince people to vote against this sale, and I believe that the reason that people in such a bipartisan fashion in both Houses voted against the sale, in overwhelming numbers, was because they don't buy the arguments you are making here today.

They don't believe they reflect reality. They don't believe that they comply with what happened historically in the past with regard to Saudi Arabia's lack of contribution to the peace process or so-called contribution to the peace process, and I guess I would submit one thing and make one request or ask one question.

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What I would submit to you is that these arguments have fallen on unaccepting ears, and I think the proof is in the pudding in the context of the votes. I just put them out there for your review.

My question is, does that mean anything to this administration, and does that mean anything to this administration in the context of its relationship with Saudi Arabia?

It sometimes looks like we have a legislative-executive conflict here with the legislative branch saying to the Saudis we, gentlemen, very much want your friendship, but we want it to be a two-way street, and we have the administration consistently pulling the Saudis' chestnuts out of the fire.

IMPACT OF VOTE ON ADMINISTRATION POLICY

Does this vote mean anything? Has there been any activity on the heels of this vote? Has there been any change in attitude, any change in conduct or any change in communication between this administration and the Saudis?

We want a good relationship with Saudi Arabia, but we believe the price we are being asked to pay is very high, and that Saudis have been noncompliant with regard to a request that we believe to be minimal and critical to American interests, and without debating it, because we are obviously not going to agree, we have been going back and forth on it for years.

My only question is what is the significance of this bipartisan bicameral vote, and has it had any impact on administration policy? I would ask that primarily to Ambassador Murphy, but to either of you gentlemen.

Mr. MURPHY. I have trouble with the way you put the question, Congressman. What price are we being asked to pay? Our interests in Saudi Arabia have always seemed to me very clear, the security interests we have in the stability of the Kingdom and the stability of the Persian Gulf, preventing the Soviet inroads in that region, protecting the free flow of oil.

We are not being asked to pay a price. They are paying hard cash for every piece of equipment they get from us. What is the basis for criticizing these sales? I honestly, I don't understand it. The votes you had. I mean, it was a superb job of getting the signatures against the administration's proposal.

I compliment you. I really do take my hat off, but that doesn't mean I agree. Our interests in that region go beyond the Arab-Israeli conflict, and that is the conflict that I keep getting pulled back on. With all respect we have other interests in the region, and we have other interests in a solid Saudi-American relationship.

Mr. LEVINE. Mr. Secretary, the only thing that I would submit to you at this point is you do not get a 356-to-62 vote in the House and a 73-to-22 vote in the Senate with the merits of the issue so clearly on the side that you believe they are on, you do not get the U.S. Congress voting 85 percent in one House, 79 percent in another House, if in fact people in the Congress are being deluded, and your conclusion appears to me inferentially to be this congressional vote is made out of whole cloth, and Members of Congress don't know what they are doing, don't know what their conclusions are, don't understand the basis upon which they are voting.

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We just disagree on this, and I guess your answer to my question is after this vote, nothing changes, either. That is really my question. Did the vote mean anything? Did it have any impact. Did it have any significance? And I guess the answer is no.

Mr. MURPHY. The interests I have addressed are enduring. They were there before the vote and after the vote, and we have to find a way to deal in American interests in the interests of our country with the Kingdom of Saudi Arabia.

The security relationship is one element in that relationship, the one which is most talked of up here, but there are other aspects.

Mr. LEVINE. Did the vote mean anything to the administration in terms of policy?

Mr. MURPHY. Well, it wasn't fun, no. I mean, we didn't get through. I admit we didn't persuade. I have to acknowledge that.

Mr. LEVINE. Mr. Armitage.

Mr. ARMITAGE. I endorse completely Secretary Murphy's comments about our national security interests regarding Saudis are enduring, but your question is did the vote mean anything, and it did mean something.

You know, as Dick said, we certainly didn't enjoy it, and we do realize we have got a hell of a job. We have got a job up here to make better presentations to you on the one hand, not to make up better stories, but to deal with you, to deal more closely with you and it did have that effect.

Second of all, it did have the effect of really making the administration go back and think through the relationship with Saudi Arabia. The fact is that we came to the same conclusion, that our interests were enduring, but if you think that we just sat back and took the vote and said, oh, we will take care of that tomorrow, you are wrong, you are dead wrong, as one or two here who participated in the attempt to try to persuade Members that we did have a valid argument.

Did it have an effect? Yes; it had an effect.

UNITED STATES AWACS NOW IN SAUDI ARABIA

Mr. HAMILTON. Mr. Secretary, Mr. Armitage, we, the United States, will receive information continuously and completely?

Mr. ARMITAGE. Yes, sir.

Mr. HAMILTON. Does that mean that we are going to be provided that information in real time?

Mr. ARMITAGE. Yes, sir.

Mr. HAMILTON. Are there any circumstances that the——

Mr. ARMITAGE. I might add that without real time—I don't mean to interrupt—without real time provision of the data, in fact that would mean nothing.

Mr. HAMILTON. I appreciate that. Are there any circumstances that the data collected by AWACS would be transferred to a third country under these agreements?

Mr. ARMITAGE. No. However, the information could be transmitted to a third country with the U.S. consent, but we don't envision it, and we have made no sales of the equipment which would be necessary to be able to effect the transfer in real time.

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SAUDI MEMBERSHIP IN THE GCC

Mr. HAMILTON. Now, the fact that the Saudis, for example, have membership in the Gulf Cooperation Council, does that in any way conflict with their agreements under these documents?

Mr. ARMITAGE. No, it does not, Mr. Chairman.

Mr. HAMILTON. And they have, so far as you know, no commitments which conflict?

Mr. ARMITAGE. Not of which I am aware.

Mr. HAMILTON. Is that correct?

Mr. ARMITAGE. Yes, sir.

U.S. INSPECTION RIGHTS

Mr. HAMILTON. We have a right to inspect, and I think you said earlier in your testimony that we could drop in on them?

Mr. ARMITAGE. Yes, sir.

Mr. HAMILTON. Unannounced. What is our intention there? Are we going to be inspecting on a daily basis, on a monthly basis, or what happens here with regard to inspections?

Mr. ARMITAGE. First of all, in effect, we will be there on a daily basis side by side. Different provisions mean different things. For instance, the provision of information continuously will be there 24 hours a day, when flight operations are underway.

We will know immediately if there was a problem, and there is no way I might add to filter the information that is coming from the AWACS.

Regarding physical security, we will have people, and indeed we have established a specific position to submit to monitor daily the security provisions, and to be the security adviser.

That does not mean, sir, that he walks the fence every day, and I don't mean to imply that he does, but he is available every day to follow up on these items.

Mr. HAMILTON. The agreement that I have seen or the portions of it I have seen talks about inspection when mutually convenient, not by surprise or on demand. But you are telling me that——

Mr. ARMITAGE. I am telling you we have a security manager there.

Mr. HAMILTON. I must say to you, I have looked at the entire agreement, so I am asking for information. Your view is that we can do it on demand, by surprise any time we want to.

Mr. ARMITAGE. That is my view, and the reason I put that view forward, sir, is because of the establishment of a position of security manager, who has access to everything. This is his job as you submit them, and he will just be doing his job when he is walking around inspecting.

LIFE OF THE AWACS

Mr. HAMILTON. Now, what is meant by the useful life of the AWACS? How long a period is that?

Mr. ARMITAGE. I had a feeling you might ask it. You are not going to like the answer. It is 30,000 hours for an airframe, and that could be 20 years or 30 years, depending.

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Mr. HAMILTON. So, we are talking about a very long period of time here.

Mr. ARMITAGE. Yes, 30,000 years on the airframe—hours, I beg your pardon. It is good technology, but it is not that good.

Mr. HAMILTON. Are there further questions? Mr. Lantos.

HOUSE VOTE ON SAUDI ARMS SALES

Mr. LANTOS. I have a couple of questions. First, I can't help but comment, Secretary Armitage, on your last response to my colleague from California, which I think was one of the most revealing comments from anyone in the administration in many a year. When he asked you how do you explain these overwhelming votes, in both Houses, against your position, your response was that you just haven't done a good enough job of explaining your side of the issue.

Has it occurred to you that you may be wrong?

Mr. ARMITAGE. Yes, it has.

Mr. LANTOS. Has it occurred to you that maybe we understand your reasoning and follow the argument and on balance, we come down on the other side? It might not be inappropriate to consider that option.

Mr. ARMITAGE. I completely agree. It is most appropriate, and I would like to have you sitting in the interagency debates when we go on almost endlessly discussing every single aspect.

As the Congressman put his point of view, I got the impression that he felt that we didn't give it any consideration, and my point was, of course, we gave it consideration. We did go back.

We do this every time we have a debate on the Hill or discussion on the Hill, and we rethink this. We are not a monolith. We don't just have one point of view. We argue endlessly, Congressman Lantos, and you know that, among ourselves.

UNITED STATES-SAUDI INFORMATION SHARING

Mr. LANTOS. Let me shift to an entirely different level. How long have our AWACS been in the area, or as you refer to it as, the Kingdom?

Mr. ARMITAGE. Since 1980, Congressman.

Mr. LANTOS. Since 1980?

Mr. ARMITAGE. That is right.

Mr. LANTOS. And since 1980, we have provided what in essence these AWACS will provide, isn't that correct?

Mr. ARMITAGE. That is correct.

Mr. LANTOS. So we have in effect given the Saudis a free ride for the last 6 years, is that correct, or they have paid the full cost, all costs of the operation?

Mr. ARMITAGE. Well, they have not paid all costs. They have paid fuel and all of those things, but salary and whatnot we have maintained.

Mr. LANTOS. You understand very well what I am saying?

Mr. ARMITAGE. Yes, sir, but I want to answer your question completely. We have given them a free ride if you don't assume that they were trying to take possession of aircraft to do it themselves.

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ESTIMATED COST OF PROVIDING AWACS SINCE 1980

Mr. LANTOS. What is the estimated full cost of providing the AWACS service that we have given them, and the number of AWACS that they have not paid for?

Mr. ARMITAGE. I have to provide it for the record.

[The information follows:]

COSTS OF U.S. AWACS DEPLOYMENT

The U.S. Government pays approximately $91 million per year to support AWACS operations in Saudi Arabia. This amount includes operations and maintenance costs (flying hour expense, excluding fuel), airlift, temporary duty personnel costs, personnel salaries, and replenishment spares.

The Saudi Arabian Government pays for aircraft fuel, security, in-Kingdom food, transportation, and lodging for U.S. personnel. While we maintain no records of actual Saudi costs, our Embassy in Riyadh has estimated that the cost to the Saudis is approximately $50 million per year.

Mr. LANTOS. You must have some ballpark figure. You have been doing that for years.

Mr. ARMITAGE. Let me ask. Ballpark is $100 million, but I want to withhold a little bit.

Mr. LANTOS. $100 million for 6 years?

Mr. ARMITAGE. Yes.

Mr. LANTOS. So we are basically giving the Saudis $600 million worth of aid. That is not an unreasonable way of putting it, is it?

Mr. ARMITAGE. Well, if you don't consider that there was a threat from Iran, and that the oil fields were under a threat, you could put it that way, Congressman Lantos. I wouldn't, sir.

Mr. LANTOS. It is a fact, though, that if the AWACS' service, which has been provided for 6 years and which presumably they will now continue to receive through these new aircraft, had been so valuable for them, they would have been willing to pay for it. I am wondering why we did not request that the full cost of the service provided in the past be paid for by this rather well-off Kingdom?

Mr. ARMITAGE. Well, I would initially say that we do have interests in the area, the COMIDEASTFOR ships which today number 6 in the area, are also provided protection and support by the AWACS, so we did feel that we were gaining something from this. This was not entirely feeding the Saudis.

We also feel, sir, that protection of Saudi oil fields is in our interest. Dick Murphy correctly informs me——

Mr. LANTOS. I am sorry?

Mr. ARMITAGE. I say Dick Murphy correctly informs me or reminds me to tell you there were obvious gains and training in expertise for our own Air Force, and he is completely right.

Mr. LANTOS. Well, we have a very serious problem with our European allies, with whom we share longstanding democratic traditions, about burden-sharing. It seems to me that the administration has been singularly derelict in its attempt to see to it that the Saudis share even in some remotely fair fashion, the burden of providing security for their area.

Mr. ARMITAGE. Well, we are up here arguing or trying to argue, Congressman, that they purchased these aircraft in order to be able to——

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REQUESTING PAYMENT FOR U.S. AWACS DEPLOYMENT

Mr. LANTOS. I understand the future. I am asking about the past. What is your response, Mr. Secretary, to someone who says you have failed to make the Saudis pay for the services that they got.

Mr. ARMITAGE. I would say that my response to you would be that we feel that we got a good part of this deal, and that we had protected and provided the protection for our ships which necessarily are in the area, and in the Persian Gulf and the northern Arabian Sea, and we have assured, sir, that the oil fields remain so far untouched.

Mr. LANTOS. We are not questioning the value of the service. We are talking about who pays for it. Why didn't the Saudis pay for it in the past?

Mr. ARMITAGE. We felt it was in our interest to provide this service in the interim, that is why, in the U.S. interest.

Mr. LANTOS. We are not talking about the performance of the service, for the third time. We are talking about payment for service. I understand you believe it was in our interest to have the AWACS up there, and I agree with you. It was to some extent in our interest. It was not in our interest to pay for it. It would have been in our interest to have them pay for it when we face a $200 billion deficit.

Now, why wasn't that issue broached?

Mr. ARMITAGE. I will have to provide it for the record. I am unaware, and I will just provide it.

[The information submitted follows:]

The U.S. Government's purpose and intent in this program are to further U.S. national security interests, not to provide security assistance or defense services to Saudi Arabia. The U.S. has an independent military requirement to conduct AWACS operations in Saudi Arabia and would seek to do so even in the absence of any Saudi financial support, either direct or in-kind. These unique AWACS operations in Saudi Arabia are based on U.S. national security interests and are not exclusively for the protection of Saudi Arabia, its government or oil fields. These operations support U.S. requirements and purposes different from, and in addition to, our common interests in the security of the region. [Security deletion.] Given these circumstances, it was felt that the Saudi Government's provision of substantial host nation support in-kind represented a reasonable burden-sharing arrangement.

Mr. LANTOS. Is this a new idea to you, Mr. Secretary?

Mr. ARMITAGE. Frankly, this one is a new idea to me, but I have only occupied this position for 4 years.

Mr. LANTOS. Mr. Murphy, why haven't the Saudis paid for this in the past?

Mr. MURPHY. What I want to get is the full account of what the overall expense to us was. I know that they paid the full cost of the fuel. They paid the full cost of the housing and the protection of the aircraft.

Mr. LANTOS. We know those are marginal, not full costs.

Mr. MURPHY. I want to be absolutely straight with you on this. I don't know that that was a marginal cost, the full cost of the fuel. We did pay our own salaries.

They paid for our housing. They paid for our security in the country for those several hundred air force personnel that have been there since 1980.

Mr. ARMITAGE. We also provide our own spares.

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Mr. LANTOS. I think the answer is that we provide presumably the kingdom invaluable services which marginally and tangentially were also beneficial for us for which they surely had the money to pay, and yet apparently they were never asked to do so. Was there any discussion within the State Department as to when there should be payment for these services, Mr. Murphy?

Mr. MURPHY. There was payment. There was not total payment.

Mr. LANTOS. Was there any discussion of there being total payment?

Mr. MURPHY. No; I think it was seen as a joint effort and cost-sharing from the beginning, sir.

SAUDI OPPOSITION TO THE MAY 17, 1983, ISRAELI-LEBANESE ACCORDS

Mr. LANTOS. A final question about the helpfulness of the Saudis. Your boss, Secretary Murphy, Mr. Shultz, devoted a lot of his time, energy and attention to reach the Israeli-Lebanese accords of May 17, 1983, and the Saudis were among the most forceful opponents of that agreement.

What is your comment about that?

Mr. MURPHY. That they were not among the most forceful opponents of that agreement.

Mr. LANTOS. Did they support those agreements?

Mr. MURPHY. They publicly stated when that agreement was reached that they supported President Gemayel's right to sign that agreement and that was already in the face of a very hot blast of fire out of Damascus that this was a threat to Syrian national security and a disgrace to the Arabs.

SAUDI POSITION ON SEPTEMBER 1982 PROPOSAL

Mr. LANTOS. The President in September 1982 put forward a peace proposal. Did they support that peace proposal?

Mr. MURPHY. They have never been in the front line. They have never——

Mr. LANTOS. Have they been in the back row of supporting it?

Mr. MURPHY. Yes; they have been in the back row. That is what I keep trying to say. They are backstage people and that is a question of style. I don't use that in any derogatory sense. That is their way of doing business. They are not going to be out in the frontline way ahead of the other Arab States. That is their way.

Mr. LANTOS. What was their statement on the President's peace proposal?

Mr. MURPHY. I don't recall any specific statement.

Mr. LANTOS. Has anybody asked them what they thought of it?

Mr. MURPHY. Yes; I dealt with them repeatedly with it when I was ambassador to Saudi Arabia.

Mr. LANTOS. And what did they say?

Mr. MURPHY. It was the most forward-looking stand and position adopted by an American administration in years.

Mr. LANTOS. And yet they didn't support it.

Mr. MURPHY. How do you mean they didn't support it? What would you have had them do?

Mr. LANTOS. Well, make a statement saying, "We think it is a great idea and we support it."

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Mr. MURPHY. They don't make statements, Congressman. It is a very rare day when a statement is made out of Saudi Arabia. That is their way. I can wish they——

Mr. LANTOS. There were a lot of inflammatory statements that apparently they were not reluctant to make. Mr. Smith just read of a whole series of bloody, inflammatory, irresponsible, arrogant statements, and they weren't so reticent about making those.

Mr. MURPHY. On the peace process they are extremely cautious in what they say in public.

Mr. LANTOS. Just in conclusion, Mr. Chairman, may I say that if I previously had any doubts about the lack of wisdom of this transaction—and I didn't have many—I have none now. This transaction has no merit. The arguments advanced on the basis of the 1981 correspondence are specious, selective, and unconvincing. The overwhelming weight of the evidence is clearly on the other side.

The Saudis did not live up to the commitments they made in 1981. They have sabotaged the peace process. They have attempted to undermine the peace process. Yet, we are pretending—and I am using the word advisedly—we are pretending that they have lived up to their promise.

Thank you, Mr. Chairman.

Mr. HAMILTON. Mr. Smith.

SAUDI SUPPORT FOR LIBYA

Mr. SMITH of Florida. Thank you, Mr. Chairman.

You know, Mr. Murphy, from my point of view, it is really an interesting exercise we go through here. This certification doesn't surprise me, frankly, because it is only one of a series developed in the line of the Salvadoran-Jordanian certifications, where you have to come to some conclusion you know must be reached, so you use whatever terms in certifications need to be used to reach it.

But what really is sad, to some degree is, I think, Mr. Levine's frustration in terms of what he felt was a significant vote, and then what we see as—at least we perceive as a continued rejection of any understanding—that maybe the Congress has some small understanding of its own of the problem, and that you believe that it is only because you didn't sell it right is the reason you got such a lopsided vote against you.

What is sad is that we don't really bear any enmity to the Saudis. We know that in the final analysis, I am absolutely convinced that they would stand with us if it was absolutely a threat to them, very, very definitely.

I have no fear of that, frankly, and it is probably the frustration that the Saudis really should be more of an active player, because they, in fact, probably do believe more the way we do than some of the others do in the region that makes us so upset about how we hear this being sold.

Again, you talked about the fact, in response to Mr. Levine's questions, that it frustrates you that only the Arab-Israeli conflict is brought up, and that we have other national security interests and they deal with the other problems and the other conflicts that rise and fall in that region or that are ongoing in the region, and I can understand that.

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I think that is an absolutely valid, legitimate analysis.

You said that there are a lot of components to the whole. I agree. Let's take one of the separate components.

In the region, I consider the Libyan situation to be part of the region for that purpose. You have a Saudi Arabia which refuses to take a stand against Libya. They take a stand against terrorism, and then when we deal with the terrorism, they take a stand against us.

Now, I don't have to tell you. Do I have to read you the comments made by Saudi Arabia after we bombed Libya? I don't have to do that.

They were all negative. They were all anti-United States. They were all very, very much in opposition to what we had done.

In fact, the Saudis vowed to replenish any of the losses that Qadhafi suffered as a result of the American sanctions, of the bombing.

SAUDI CONTRIBUTIONS TO THE PLO

In addition, you have the Saudis to the tune of approximately $100 million a year or more continuing to finance terrorism by supporting the PLO.

You and I can both, ad nauseum, debate whether the PLO represents the Palestinians or not, or whether the PLO is really a legitimate organization, but we have always agreed that they do engage in terrorist activity.

You have never denied that, and I congratulate you. I mean, that is a reality of life.

What their reasons are is, one reason as far as they are concerned, another for some of us—but the reality is that they do. How do you claim that the Saudis—putting aside the Arab-Israeli conflict—in any way promote peace in the region by the actions that they have taken over the years consistently regarding Libya and the PLO?

You tell me how you square those actions, and they are actions and significant action, with bringing peace to the region in the ways that are exclusive of the Arab-Israeli conflict.

The PLO terrorism, as you know, exists independently of the Arab-Israeli conflict. There is a lot of Arab terrorism, Arab against Arab, and it just seems to me that that is not squarable.

It is not reconcilable, but I am curious to hear how you feel it is.

SAUDI POSITION ON LIBYA

Mr. MURPHY. I appreciate the opportunity, Congressman.

We haven't talked about Libya, and I would like to state on the record our understanding of the Saudi position on Libya.

There were not several comments. There was the one you are referring to about support for the Libyan people and critical of the——

Mr. SMITH of Florida. There are two. Let me give you the two.

One is they vowed to replenish any losses to Qadhafi resulting from the sanctions. That is the Washington Post——

Mr. MURPHY. What is the source of that?

Mr. SMITH of Florida. Washington Post.

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Mr. MURPHY. No, no. Who gave that statement?

Mr. SMITH of Florida. I don't have who.

Mr. MURPHY. The statement, I did check that one, and I am familiar with it. That was given out by radio Libya saying that Saudi Arabia had agreed to replenish any losses. That is not the most trustworthy source.

Mr. SMITH of Florida. They denounced U.S. aggression, and that was from the——

Mr. MURPHY. The statement after——

Mr. SMITH of Florida. The domestic service.

Mr. MURPHY. Yes; on Libya they twice moved to block sanctions called for by Qadhafi against the United States when he tried to get the foreign ministers to come together after the Gulf of Sidra incident.

Second, they worked to block the holding of an Arab summit after the attack. They did issue what I call a ritual bow to Arab solidarity in that single statement that we are both looking at regretting the attack, not mentioning Qadhafi, and certainly not praising what he had been doing in Libya and his sponsorship of terrorism. They have been a victim of terrorism.

But that replenishment of all losses, that was a claim by Qadhafi, and there is no such replenishment.

SAUDI SUPPORT FOR THE PLO

Mr. SMITH of Florida. How do you view, then, the second part of that, and that is within the framework of trying to bring peace to the Middle East to continue to subsidize the PLO to a significant extent?

They no longer—with their assets—they no longer, I believe, have to be afraid of the PLO directly. I don't believe it is that money being paid——

Mr. MURPHY. I think from their standpoint you have got to accept that they recognize the PLO as the legitimate representative and as a legitimate player in the political process. That is where they are coming from.

Mr. SMITH of Florida. But remember now you are talking for the certification purposes about our interest in their being helpful in what we consider to be a peace process in the region.

Mr. MURPHY. Yes.

Mr. SMITH of Florida. You have made that very clear.

Mr. MURPHY. Yes.

Mr. SMITH of Florida. You told me what their point of view is. From our point of view, does that square with how we feel they should, in fact, operate?

Mr. MURPHY. We don't agree with every way that they spend their money. I admit that.

Mr. SMITH of Florida. So we don't agree.

Mr. MURPHY. There are aspects we don't agree with. Where we agree, we agree on the aid programs that they have supported very heavily from Morocco through Pakistan and the Afghanistan resistance and the Sudan and any number of other countries.

We have got a very close, cooperative relationship.

Mr. SMITH of Florida. What you are talking about is balance.

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Mr. MURPHY. I am talking—yes, in a sense, we put a spotlight, a very hot spotlight on one element of the United States-Saudi relationship, and I think it has distorted our debate on this issue.

FRUSTRATION WITH SAUDI POLICIES

Mr. SMITH of Florida. Let me ask you this. You can certainly look at and focus, on only one aspect, but when you go to the other aspects, I don't think you can reject any of the arguments that have been made offhand as being insignificant.

There is compelling evidence on each one of them in the areas to show that while the Saudis continue to say one thing, they do another in many instances, that they do not take the lead.

You have chalked that up to the fact that they are not frontline players. You and I have gone to the mat over the last 4 years on any number of occasions over the fact that they are not frontline players and we think they ought to be, and that is what I said at the beginning, that we are frustrated by the fact that we think they could be effective frontline players, and yet they refuse to take that role.

Maybe it is just a frustration because we haven't been so successful.

Mr. MURPHY. Congressman, the sense of frustration is palpable on both sides of the microphone here.

ARAB-ISRAELI CONFLICT

Mr. SMITH of Florida. Let me ask you this. One thing that does bother me, and you have indicated time after time, that Saudis generally try to operate within the framework of Arab consensus.

They try to push and pull to obtain Arab consensus and, generally, as a back row player, a backroom player, try to work within a consensus.

What do you think would happen if the Arab consensus was to go to war against Israel? Would they, in fact, have to then go to war against Israel?

This is one of the problems. Remember we are dealing now with the AWACS. We are dealing with a significant—it is defensive, but you know very well that that defensive weapon also has offensive capabilities, and we assume by contract and by morality that they would not use those weapons.

They are forbidden to do so.

The point is if, in fact, they operate within a consensus and the consensus, unfortunately, for us slips to the point where war is declared, are we going to see Saudi Arabia join because they do operate within the Arab consensus?

This is one of the things that people have to look down the road at.

Mr. MURPHY. Of course, they also have to look back on the road of the previous wars and judge accordingly. They did not participate in 1967. They did not participate as frontline players in the Arab-Israeli conflicts.

Mr. SMITH of Florida. They did not participate to the extent that they did not send troops. Is that what you are saying?

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Mr. MURPHY. They sent a brigade that stayed in Syria for several years after 1973, after the war.

Mr. SMITH of Florida. And then they have helped significantly since then in paying for the buildup of the Syrian forces. I mean, let's be realistic, Mr. Murphy. We are dealing now with what we consider to be a very, very difficult subject in the Middle East, outbreaks of fighting consistently outside the Arab-Israeli conflict.

This support of Morocco and of Syria, as you know, helps those countries buy significant Soviet arms, which at some point can be turned against Israel.

I know you don't want to put it in that context, but some of us see that as one of the contexts that we have to look at as well as others and it is an older feud than Iran-Iraq in terms of its impact on this country's foreign policy.

Where are we going when the money that they give to the Syrians and the PLO which was a commitment they made to the Arab League in 1975 seems to be significantly important enough to be able to allow the purchase of enormous amounts of weapons from the Soviet Union which will then be used in, and you know very well if there is going to be a war against Israel, Syria will certainly be a part of the opposition force.

This is the problem that some of us have to contend with. This is what makes it difficult. It is not the Saudis themselves. I honestly believe that they would be allies of the United States at some point if they ever made a decision to be frontline players, but there is more to this than just looking at the short term, at what they do in the backroom.

Their inability to gain significant support for our interests or our direction in terms of the way the process should move, but by the same token, their refusal to be drawn into being opposed to us—from that point of view, you know, they may not help us along. But you are saying they don't hinder us, and from time to time they make helpful acts occur.

Well, that justifies the sale of the AWACS. You know, this is a problem for us to swallow. It doesn't, because there is a lot of negatives, the ramifications that I talked about.

JUSTIFICATION OF THE AWACS DELIVERIES

Mr. MURPHY. The individual acts lead up to a justification for the sale of AWACS. Also, as part of that justification, how U.S. interests are helped in that peninsula of critical interests to the United States. But you have touched on a very valid argument.

That money is going for arms. That money is fungible, and it is going into Syria. It is going into Baghdad, and it is ending up in arms, and that is a concern to us.

And among the leaderships of the Middle East I think there is none that takes more seriously, that is more desirous than the Saudis that we find a way to get that peace process going again.

They don't enjoy any particular—derive any particular enjoyment from financing arms purchases for Damascus or anyone else.

They would love to see the area at peace, and they have a vision of the area at peace. They just don't see themselves as leaders.

Mr. SMITH of Florida. They don't?

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Mr. MURPHY. In the peace process.

Mr. SMITH of Florida. They certainly do in terms of the OPEC countries, don't they?

Mr. MURPHY. Yes.

Mr. SMITH of Florida. They have no problem trying to take the lead when it comes to oil prices.

Mr. MURPHY. That hasn't always been against our interests, though.

Mr. SMITH of Florida. Yes. Well, I don't want to get into that one, Mr. Murphy.

Thank you, Mr. Chairman.

Mr. HAMILTON. Mr. Gilman.

OVERSIGHT RESPONSIBILITY

Mr. GILMAN. Thank you, Mr. Chairman.

Just one query. Secretary Murphy and Secretary Armitage, who has the ongoing responsibility for continuing oversight, to make certain that the conditions are being complied with?

Mr. ARMITAGE. I have attempted to answer that on the day-to-day activities it would be CENTCOM as represented by their people in the kingdom of Saudi Arabia, but in terms of policy or certainly in terms of having to report to the Hill, if we found or uncovered any violations, it is me.

Mr. GILMAN. Your office? How do you meet your oversight responsibility?

Mr. ARMITAGE. I and my office receive information and all the communications that go to the CENTCOM commander, and there is no way that they have uncovered a violation it would not have made me aware of it, nor is there a way, frankly, that any of the assurances with regard to the technical assurances can be violated and we not know it.

Mr. GILMAN. That would be dependent on the onsite inspections, I take it, from time to time.

Mr. ARMITAGE. Yes, but there is a lot more than assurances of the physical inspection. It has to do with complete sharing of information and things of that nature which have to be taken into consideration, or bits of the aircraft, the aircraft operation, all things that we have had a Presidential certification on.

There is no way that any of it can be violated.

REPORTS TO CONGRESS ON THE PROGRAM

Mr. GILMAN. Mr. Armitage, will your office be reporting to the Congress periodically on AWACS Program.

Mr. ARMITAGE. If the Congress wishes so, we can either formally or informally consult. I have not envisioned it, and I would not envision it, unless there was a violation, but if that is what the Congress wants, certainly we will be more than happy to comply.

Mr. GILMAN. Mr. Chairman, I would like to make a request that on an informal basis, at least, that we have some periodic reporting on the efforts being made with regard to the oversight responsibilities of Mr. Armitage's office with regard to the AWACS.

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Mr. HAMILTON. The gentleman's point is well taken, and, of course, the subcommittee will be in touch with you from time to time, and I am sure we will have your cooperation on it.

Mr. ARMITAGE. As always.

Mr. GILMAN. Thank you, Mr. Chairman.

ACCESS OF THIRD COUNTRY NATIONALS

Mr. HAMILTON. Just one question. I know you want to leave by 4 o'clock and we will easily meet that.

Mr. ARMITAGE. We have to do this again tomorrow. A different subject.

Mr. HAMILTON. I wanted to check on the access of third country nationals.

We were told in 1981 that only United States and Saudi personnel would have access to the AWACS equipment. Then in June 1986 we had the statement that the Saudis will not permit citizens of third nations either to perform maintenance on the AWACS or to modify any such equipment without prior explicit mutual consent of the two governments.

You will notice that there is a difference in the way we phrase that.

Now, why did we have this change? Why at one time were we told only United States and Saudi personnel will have access, then the next time you word it differently, so that under certain circumstances at least third country nationals might have access?

Mr. ARMITAGE. I think you went on to say that third country nationals might have access to maintenance and things of that nature.

We are not sure that all of the duties associated with the maintenance of an aircraft, let me say, will always be accomplished by Saudis.

However, any of the duties that have to do with classified aspects of the AWACS will always be under United States and Saudi control and mutual consent.

I hate to say to you that I wasn't here in 1981. I think that perhaps the language then was what was thought to be the case, but right now we want to be completely up front with the members of the committee, and that is the way we saw the situation.

There may be some nonclassified work which is done by third country nationals.

Mr. HAMILTON. We may have some questions to submit to you in writing, gentlemen.[1]

Are there any further comments or questions?

If not, the subcommittee thanks you for your appearance, and we stand adjourned.

[Whereupon, at 3:50 p.m., the subcommittee adjourned subject to the call of the Chair.]

[1] See app. 3.

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APPENDIX 1

TEXT OF JUNE 18, 1986 PRESIDENTIAL CERTIFICATION ON THE TRANSFER OF AWACS TO SAUDI ARABIA

June 18, 1986

Dear Mr. Speaker:

By letter dated October 28, 1981, I assured then-Senate Majority Leader Baker that the proposed transfer to Saudi Arabia of AWACS aircraft would not occur until I had certified to the Congress that specified conditions had been met. Subsequently, Section 131 of the International Security and Development Cooperation Act of 1985 ("ISDCA") incorporated the text of that letter, with its conditions for certification, into legislation.

I am pleased to inform you that all conditions set forth in my October 28 letter and repeated in Section 131 of the ISDCA have now been met and that I herewith forward to you my certification to that effect. Through the extensive efforts of the Defense and State Departments, agreements and other actions necessary to fulfill these requirements have been concluded.

I now wish to draw particular attention to the sixth condition that I have certified. I remain convinced that, as I stated in 1981, the sale of these AWACS aircraft to Saudi Arabia will contribute directly to the stability and security of the area and enhance the atmosphere and prospects for progress toward peace. I also believe that significant progress toward peaceful resolution of disputes in the region has been accomplished with the substantial assistance of Saudi Arabia. These perceptions are strengthened by a review of events of the last five years.

The current deployment of U.S. AWACS aircraft to Saudi Arabia has contributed significantly to the stability and security of Saudi Arabia and the region as a whole. The Royal Saudi Air Force's (RSAF) gradual assumption of the role now performed by the U.S. AWACS aircraft will continue this contribution. Over the past five years the U.S. AWACS aircraft have demonstrated their ability to detect approaching Iranian aircraft well before they would be detected by ground-based radar. This early detection, coupled with the demonstrated resolve of the RSAF to deploy its F-15s and engage aggressor aircraft, has deterred Iran from escalating attacks against targets on land and in Gulf waters under the Saudi protective umbrella. The Saudi commitment to a strong defense as evidenced by such measures as the AWACS acquisition, past defensive military action, and efforts to organize collective security among the member states of the Gulf Cooperation Council (GCC), taken together with the Kingdom's obvious lack of aggressive intent,

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have contributed and will continue to contribute to the stability and security of the area. Our continued success in helping to support regional stability will diminish prospects that U.S. forces might be called upon to protect the governments, shipping lanes, or vital petroleum resources of the region.

Saudi Arabia has firmly supported every significant diplomatic effort to end the Iran-Iraq war. Mediation missions under the auspices of the United Nations, the Organization of the Islamic Conference, and third countries acting independently have received Saudi diplomatic and facilitative assistance. In encouraging a negotiated settlement of the conflict, the Saudis have made clear their preference that the war end without concessions of sovereignty by either side.

Saudi efforts to advance the Arab-Israeli peace process have been substantial. The Fahd Peace Plan and the Arab endorsement of the plan embodied in the 1982 Fez Communique significantly and irreversibly modified the Arab consensus of the three "no's" enunciated at the 1968 Khartoum Summit, i.e., no recognition, no negotiation, and no conciliation with Israel. The Fez Communique moved the formal Arab position from rejection of peace to consideration of how to achieve peace with Israel. The plan's statement that all states in the region should be able to live in peace was an implicit acceptance of the right of Israel to a secure existence. The concept of land for peace was a direct reflection of U.N. Resolution 242. While various elements of the Fez Plan differ from our views, the Plan remains the single largest step toward peace on which the Arab world has been able to agree. The existence of this consensus provided a base from which King Hussein felt he could launch his initiative to bring Israel, Jordan, and the Palestinians to the negotiating table in 1984-85.

Saudi Arabia has signaled its tacit support for King Hussein's moves to lay the foundation for peace negotiations by continuing substantial financial assistance payments to Jordan following critical steps in the process, i.e., after Jordan resumed diplomatic relations with Egypt and again after the February 1985 agreement between Hussein and PLO Chairman Arafat. Despite vocal Syrian opposition, the Saudis sent official observers to the Amman Palestine National Council meeting in late 1984 where moderate Palestinians made a decision to break with the radicals thereby opening the way for King Hussein to begin his peace initiative.

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During the subsequent and continuing debate over how to make peace with Israel, the Saudis have consistently lent support to moderate Arab governments. Egypt's readmission to the Organization of the Islamic Conference was significantly assisted by crucial Saudi support for a procedural motion calling for a secret ballot on the readmission vote. Following the police riots in Cairo in February of this year, the Saudi Council of Ministers issued a statement supporting President Mubarak.

Although its efforts, like our own, met with limited success, Saudi Arabia played a major and highly visible role in attempts to arrange a lasting cease-fire in Lebanon. In the August 1983 efforts of Crown Prince Abdullah and Prince Bandar to bring an end to fighting in the Shuf mountains, and again through observers at the Geneva and Lausanne Lebanese national reconciliation talks, Saudi Arabia sought to bring peace to a moderate Arab nation and establish the framework for stable government. The Saudis also proved supportive of Lebanese efforts to negotiate directly with Israel conditions for Israeli withdrawal from southern Lebanon. In this regard, the Saudis supported Lebanese efforts to win Syrian consent to compromises necessary to reach agreement.

Saudi Arabia has provided crucial support for Sudan during that country's transition to a democratic form of government. Furthermore, it has established a significant record in working for regional stability and settlement of regional disputes in countries beyond its immediate neighborhood. Saudi aid has been crucial to the Afghan cause and significant to Pakistan, Morocco, and Tunisia. Despite limitations imposed by concern for its own security, the depth of regional animosities, and the need to establish and work within an Arab consensus, Saudi Arabia has assisted substantially the significant progress that has been made in the peaceful resolution of disputes in the region.

Saudi Arabia has publicly condemned terrorism and terrorist actions, having itself been a victim of terrorism. More important, it has taken practical actions to oppose terrorism regardless of its origins.

I am convinced that the assurances I made in my letter to Senator Baker have been amply fulfilled. A firm foundation has been laid for close and continued U.S.-Saudi cooperation

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in operating the Saudi AWACS and in building an air defense system for Saudi Arabia and the GCC. By contributing to the self-defense of these countries, we are diminishing the likelihood of direct intervention by U.S. forces in defense of vital Western interests. At the same time, we are encouraging forces of moderation which, if they prevail, will bring lasting peace to a turbulent region.

Sincerely,

Ronald Reagan

The Honorable Thomas P. O'Neill, Jr.
Speaker of the
House of Representatives
Washington, D.C. 20515

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CERTIFICATION OF CONDITIONS REQUISITE TO TRANSFER
OF AWACS AIRCRAFT TO SAUDI ARABIA

In accordance with Section 131 of the International Security and Development Cooperation Act of 1985, P. L. 99-83, I hereby certify that the conditions set forth in my communication of October 28, 1981, to the Senate with respect to the transfer to Saudi Arabia of five E-3A airborne warning and control system (AWACS) aircraft have been met, specifically:

1. Security of Technology

A. That a detailed plan for the security of equipment, technology, information, and supporting documentation has been agreed to by the United States and Saudi Arabia and is in place; and

B. The security provisions for Saudi AWACS aircraft are no less stringent than measures employed by the United States for protection and control of its equipment of like kind outside the continental United States; and

C. The United States has the right of continual on-site inspection and surveillance by U.S. personnel of security arrangements for all operations during the useful life of the AWACS. It is further provided that security arrangements will be supplemented by additional U.S. personnel if it is deemed necessary by the two parties; and

D. Saudi Arabia will not permit citizens of third nations either to perform maintenance on the AWACS or to modify any such equipment without prior, explicit mutual consent of the two governments; and

E. Computer software, as designated by the United States Government, will remain the property of the United States Government.

2. Access to Information

That Saudi Arabia has agreed to share with the United States continuously and completely the information that it acquires from use of the AWACS.

3. Control Over Third-Country Participation

A. That Saudi Arabia has agreed not to share access to AWACS equipment, technology, documentation, or any information developed from such equipment or technology with any nation other than the United States without the prior, explicit mutual consent of both governments; and

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B. There are in place adequate and effective procedures requiring the screening and security clearance of citizens of Saudi Arabia and only cleared Saudi citizens and cleared U.S. nationals will have access to AWACS equipment, technology, or documentation, or information derived therefrom, without the prior, explicit mutual consent of the two governments.

4. AWACS Flight Operations

That the Saudi AWACS will be operated solely within the boundaries of Saudi Arabia, except with the prior, explicit mutual consent of the two governments, and solely for defensive purposes as defined by the United States, in order to maintain security and regional stability.

5. Command Structure

That agreements as they concern organizational command and control structure for the operation of AWACS are of such a nature to guarantee that the commitments above will be honored.

6. Regional Peace and Security

That the sale contributes directly to the stability and security of the area and enhances the atmosphere and prospects for progress toward peace. Significant progress toward the peaceful resolution of disputes in the region has been accomplished with the substantial assistance of Saudi Arabia.

I will provide separately to the Congress, under appropriate procedures, those contracts and agreements pertinent to this sale and certification, including those whose confidentiality must be preserved.

Ronald Reagan

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APPENDIX 2

TEXT OF OCTOBER 28, 1981, LETTER TO SENATOR BAKER FROM PRESIDENT REAGAN

THE WHITE HOUSE

WASHINGTON

October 28, 1981

Dear Senator Baker:

On October 1, 1981, I formally notified the Congress of our intention to sell AWACS aircraft and F-15 enhancement items to Saudi Arabia. This sale will enhance our vital national security interests by contributing directly to the stability and security of the critical area from the Persian Gulf through the Middle East to North Africa. It will improve significantly the capability of Saudi Arabia and the United States to defend the oilfields and facilities on which the security of the Free World depends, and it will pose no realistic threat to Israel.

When this proposed sale was first announced last spring, the Congress expressed concerns about certain aspects of the sale. After analyzing these concerns in detail, we entered into a series of discussions with the Government of Saudi Arabia over the summer.

The Government of Saudi Arabia has agreed, and I am convinced welcomes the fact, that the United States will have an important, long-term role and will maintain direct involvement in the development of the Saudi air defense system, including the AWACS. We also have reached agreement with the Saudi Government on a number of specific arrangements that go well beyond their firm agreement to abide fully by all the standard terms of the normal Letter of Offer and Acceptance as required by the Arms Export Control Act.

Transfer of the AWACS will take place only on terms and conditions consistent with the Act and only after the Congress has received in writing a Presidential certification, containing agreements with Saudi Arabia, that the following conditions have been met:

1. Security of Technology

   A. That a detailed plan for the security of equipment,

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technology, information, and supporting documentation has been agreed to by the United States and Saudi Arabia and is in place; and

B. The security provisions are no less stringent than measures employed by the U.S. for protection and control of its equipment of like kind outside the continental U.S.; and

C. The U.S. has the right of continual on-site inspection and surveillance by U.S. personnel of security arrangements for all operations during the useful life of the AWACS. It is further provided that security arrangements will be supplemented by additional U.S. personnel if it is deemed necessary by the two parties; and

D. Saudi Arabia will not permit citizens of third nations either to perform maintenance on the AWACS or to modify any such equipment without prior, explicit mutual consent of the two governments; and

E. Computer software, as designated by the U.S. Government, will remain the property of the USG.

2. Access to Information

That Saudi Arabia has agreed to share with the United States continuously and completely the information that it acquires from use of the AWACS.

3. Control Over Third-Country Participation

A. That Saudi Arabia has agreed not to share access to AWACS equipment, technology, documentation, or any information developed from such equipment or technology with any nation other than the U.S. without the prior, explicit mutual consent of both governments; and

B. There are in place adequate and effective procedures requiring the screening and security clearance of citizens of Saudi Arabia and that only cleared Saudi citizens and cleared U.S. nationals will have access to AWACS equipment, technology, or documentation, or information derived therefrom, without the prior, explicit mutual consent of the two governments.

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4. AWACS Flight Operations

That the Saudi AWACS will be operated solely within the boundaries of Saudi Arabia, except with the prior, explicit mutual consent of the two governments, and solely for defensive purposes as defined by the United States, in order to maintain security and regional stability.

5. Command Structure

That agreements as they concern organizational command and control structure for the operation of AWACS are of such a nature to guarantee that the commitments above will be honored.

6. Regional Peace and Security

That the sale contributes directly to the stability and security of the area, enhances the atmosphere and prospects for progress toward peace, and that initiatives toward the peaceful resolution of disputes in the region have either been successfully completed or that significant progress toward that goal has been accomplished with the substantial assistance of Saudi Arabia.

The agreements we have reached with Saudi Arabia on security of technology, access to information, control over third-country participation, and AWACS flight operations will be incorporated into the U.S./Saudi General Security of Military Information Agreement, the Letters of Offer and Acceptance (the government-to-government sales contracts), and related documents. These documents will stipulate that the sale will be cancelled and that no equipment or services will be delivered in the event any of the agreements is breached. I will not authorize U.S. approval of any of these contracts and agreements until I am satisfied that they incorporate fully the provisions that satisfy the concerns that you and I share. I do not foresee any need for changes in these arrangements, but should circumstances arise that might require such changes, they would be made only with Congressional participation.

I believe it is important to look beyond these agreements to their practical consequences, and to the implications of U.S. security assistance and training requested by Saudi Arabia. For example, the agreement

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we have reached with the Saudi Government to protect the security of equipment also affects the nature, extent, and duration of the U.S. role in the AWACS program. Since skilled Saudi personnel available for this program will remain in short supply, the U.S./Saudi agreement that third-country nationals will not be permitted to operate or maintain the Saudi AWACS will, in practice, extend U.S. involvement in Saudi AWACS operations and activities well into the 1990s. U.S. military and contractor personnel will be required to provide extensive operational training for Saudi AWACS aircrews; it will be 1990 at the earliest before the eight Saudi crews needed to operate all five AWACS aircraft will be trained, and replacement and refresher training of individual Saudi crew members will require USAF Technical Assistance Field Teams during the 1990s. Critical AWACS maintenance, logistics, and support functions, particularly radar and computer software support, will, of necessity, be performed by U.S. personnel in Saudi Arabia and in the United States, for the life of the AWACS.

The Saudi agreement not to share AWACS-gathered information with third countries also has significant practical consequences. This agreement, combined with the standard requirement that U.S.-supplied equipment be used solely for defensive purposes, as well as the agreed-to Saudi AWACS configuration, precludes any possibility that Saudi AWACS could contribute to coordinated operations with other countries' armed forces against any nation in the region without our consent and cooperation.

Concerning the agreement to operate AWACS only inside the Kingdom, it should also be noted that the Saudi Air Force will be trained to operate the AWACS in accordance with standard USAF AWACS doctrine and procedures, which call for AWACS to remain at all times a "safe distance" behind sensitive political borders -- normally 100 to 150 nautical miles -- to ensure AWACS security and survivability. Given the physical location of the oilfields AWACS is to defend, the vulnerability of AWACS should it operate near sensitive borders, and the history of Saudi observance of U.S. Air Force tactical doctrine, we are confident that the Saudis will adopt these practices.

In a broader sense, by enhancing the perception of the United States as a reliable security partner, we

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improve the prospects for closer cooperation between ourselves and the Saudi Government in working toward our common goal of a just and lasting peace in the region. Since assuming the responsibilities of the Presidency, I have been impressed by the increasingly constructive policy of Saudi Arabia in advancing the prospects for peace and stability in the Middle East. The Saudi Government's critical contribution to securing a ceasefire in Lebanon is a striking example. I am persuaded that this growing Saudi influence is vital to the eventual settlement of the differences that continue to divide Israel and most of the Arab world.

I am confident that the Saudi AWACS will pose no realistic threat to Israel. I remain fully committed to protecting Israel's security and to preserving Israel's ability to defend against any combination of potentially hostile forces in the region. We will continue to make available to Israel the military equipment it requires to defend its land and people, with due consideration to the presence of AWACS in Saudi Arabia. We have also embarked on a program of closer security cooperation with Israel. This proposed sale to Saudi Arabia neither casts doubt on our commitment, nor compromises Israeli security.

It is my view that the agreements we have reached with the Government of Saudi Arabia take account of the concerns raised by the Congress. I am persuaded, as I believe the Congress will be, that the proposed Saudi air defense enhancement package makes an invaluable contribution to the national security interests of the United States, by improving both our strategic posture and the prospects for peace in the Middle East. I look forward to continuing to work with you toward these vital goals.

Sincerely,

Ronald Reagan

The Honorable Howard H. Baker, Jr.
Majority Leader
United States Senate
Washington, D.C. 20510

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APPENDIX 3

SUPPLEMENTAL QUESTIONS SUBMITTED BY THE SUBCOMMITTEE ON EUROPE AND THE MIDDLE EAST TO THE DEPARTMENT OF DEFENSE AND RESPONSES THERETO

AWACS Transition Schedule

Question: When will the U.S. AWACS now in Saudi Arabia be returned here? After all deliveries or as deliveries occur?

Answer: The U.S. AWACS will return from Saudi Arabia when the situation in the Persian Gulf no longer requires the radar surveillance mission or when the Saudis demonstrate the capability to accomplish satisfactorily the mission themselves, whichever occurs first. Both countries have developed transition plans to permit a smooth withdrawal of U.S. assets at the earliest opportunity without jeopardizing the mission. The USAF and Royal Saudi Air Force are currently coordinating these plans. The RSAF will have received all five of its E-3As by March 1987, and the U.S. AWACS withdrawal will be completed as soon as operationally feasible after that time.

AWACS Support Services Contract

Question: Will there be any annual service contract or other FMS case related to the AWACS and if so, what costs are involved?

Answer: The initial Foreign Military Sales (FMS) case (government-to-government contract) for contractor maintenance services is for a three-year period ending in May 1989 with an estimated cost of $284.4 million. We anticipate that there will be follow-on agreements for contractor maintenance services throughout the life of the program. In addition, there is a separate FMS case which provides a military Technical Assistance Field Team (TAFT) to assist the Saudis in establishing initial operations and training for the AWACS and KE-3A tankers. The TAFT case is for two years at an estimated cost of $3.9 million. We anticipate that there will be requests for follow-on cases for similar support for a number of years.

Modifications to AWACS Program

Question: The information provided to the Committee suggests that since 1981 there have been three principal modifications to the original FMS submission:

- Modify engine and replace TF-33 engine with CFM-56 engine;
- Add 2 KE-3A tankers to package;
- Add training in the U.S.

Did the Saudis suggest these three modifications? Why were these changes contemplated? Were they made?

Answer: The original notification of the Air Defense Enhancement Package in 1981 included AWACS training in the United States and provision for a total of eight tanker aircraft (an initial buy of six, with an option for two more, which the Saudis exercised). There was no change in the progam involved.

The Saudis did request, and the U.S. Government approved, that the standard TF-33 engine be replaced by the CFM-56 engine. The request was made after a careful evaluation of the impact/benefit of such a change. The Saudis concluded that the CFM-56 would provide better performance and efficiency; it has the added benefit of commonality with Saudi commercial aircraft.

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AWACS Training in U.S.

Question: What amount of training is the United States providing here for the Saudis on the AWACS purchase? What types of training are we providing: pilot, maintenance, other? What are the costs of the training?

Answer: The first two Saudi AWACS crews (17 persons each) received flight and mission operations training in the U.S., in addition to a small maintenance cadre and certain key personnel (wing/group commander, etc.). Some Saudi Air Force personnel will receive prerequisite training in USAF schools in the U.S. to prepare them for entry into the in-Kingdom training program. The cost of all AWACS-related training in the U.S. is estimated at $13.3 million.

Control of AWACS Data

Question: Who in the Saudi Government will be in charge of the data produced from the AWACS flights? Will the Air Force, the Ministry of Defense or another group be responsible for the AWACS data? Who will be responsible for getting the data to the U.S.?

Answer: Under the overall direction of the Saudi Ministry of Defense and Aviation, the Royal Saudi Air Force, utilizing the existing chain of command, will be responsibe for data produced on Saudi AWACS flights. U.S. personnel in Saudi Arabia assigned to the data sharing element will ensure that all data is received directly and on a real time basis by the U.S.

AWACS Surveillance Coverage

Question: Is it the intention to provide continuous coverage with the AWACS? How many flying hours do you expect each plane to have a month and how does this compare with the coverage the U.S. AWACS are currently providing?

Answer: Each deployed USAF E-3A is currently flying in excess of 200 hours per month. The Saudis have purchased sufficient capability to sustain 65 hours per AWACS aircraft per month.

To provide continuous coverage during normal periods, a combination of AWACS and aerostat radar balloons will be needed.

Documentation Not Submitted

Question: Secretary Armitage referred to a section of the AWACS LOA which was not submitted to the Committee. Does this failure to submit rely on any specific section of the Case Act?

Answer: Assistant Secretary Armitage made specific reference to the special security precaution provisions contained in Note 14 of the Supplemental Conditions of the Letter of Offer and Acceptance (LOA). The entire AWACS LOA, including all amendments and modifications, was submitted to the Congress on June 19,1986. The only AWACS-related documentation not submitted was the Saudi AWACS Security Plan, the forward to which was provided. The Security Plan itself is a highly classified and sensitive Saudi document which can be made available to interested members of the Committee for examination. It is not an international agreement within the scope of the Case Act.

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Use of AWACS

Question: Will Saudi Arabia need explicit prior U.S. approval for each flight out into the Gulf area or will the U.S. give general approval to Saudi overflights of the coastal Gulf region? How will this general approval be conditioned, if at all? Do you anticipate frequent Saudi requests to use the aircraft off coastal areas or across borders? Do you expect the AWACS aircraft to play any role for other members of the Gulf Cooperation Council and is it the intention of the U.S. to permit the AWACS to play a regional role?

Answer: We do not expect frequent requests for out-of-Kingdom flights. Flight operations over the Gulf itself would be contrary to the basic AWACS concept of operations adopted by the Saudis, since it would place the aircraft in a hazardous situation and is operationally unnecessary for monitoring air activity of interest. If circumstances warrant, we would consider granting general approval for Saudi AWACS flights outside Saudi borders in the context of shifting orbit areas, say, to the lower Gulf, which could require overflights of Qatar, Bahrain, the United Arab Emirates, and Oman. Each of these countries would, of course, have to grant overflight rights to Saudi Arabia for such purposes. Exchange of AWACS data on a real time basis with these countries is not possible at this time, since they do not possess U.S. downlink equipment. Such an exchange would also require U.S. approval.

Security of Technology

Question: How can you demonstrate to this committee that the security plan for the AWACS is equivalent to the protection afforded the AWACS by the United States? In what specific respects is the Saudi security plan equal to, or better than, our own security for the AWACS?

Answer: USAF security experts have judged that the badge system adopted by the Royal Saudi Air Force for controlling access to controlled/restricted areas through entry control points and roving security patrols and security force response teams afford protecting equal to that provided by the USAF in overseas locations. The addition of cameras and fence penetration sensor/alarm systems makes the Saudi security precautions somewhat superior to normal USAF standards for deployed locations.

Security of Technology

Question: Agreements between the United States and Saudi Arabia give the United States the right of continual on-site inspection and surveillance by U.S. personnel of security arrangements for all operations during the useful life of the AWACS. What is contemplated? Will these visits be periodic? regular? announced or unannounced? Who will perform the on-site inspections? Defense Department personnel already in Saudi Arabia? Do you expect daily, weekly, monthly or quarterly inspections? Will the inspections be on demand or when mutually convenient as many documents often read? What is meant by the "useful life of the AWACS" and who will define that? Right now, what would you see as the length of the "useful life of the AWACS"? What happens to the AWACS after the "useful life" expires?

Answer: Continual, on-site monitoring of AWACS security procedures will be provided by the large numbers of U.S. military and contractor personnel in-country throughout all aspects and areas of the Saudi program. In addition, one position in the USAF Technical Assistance Field Team has been designated as a security advisor who will provide a continuous presence in Riyadh to observe security operations in the performance of his normal duties.

The useful life of the E-3A AWACS aircraft is estimated to be 20 years. After that time, the current system would be replaced or actions taken to extend its life based on structural analysis and/or updating of systems.

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Security of Technology

Question: It is also stated in the agreement that security arrangements will be supplemented by additional U.S. personnel if it is deemed necessary by the two parties. How many U.S. personnel will be in Saudi Arabia normally devoted to AWACS? Will these people be Defense Department employees or contractor employees? Can the U.S. determine unilaterally that additional personnel are needed or must it be by mutual consent?

Answer: There will be 16 USAF military personnel assigned to the AWACS Technical Assistance Field Team and some 450 U.S. national employees of the AWACS maintenace services/ground training contractor.

The U.S. Government can unilaterally make a dermination that addition security personnel are required, but the consent of the Saudi Government is obviously needed for their presence in that country. The need to actually augment Saudi security forces with U.S. personnel is extremely unlikely, as experience has shown that any security concerns raised by the U.S. receive immediate attention by the Royal Saudi Air Force.

Question: Secretary Haig said in 1981 that there would be high technology security facilities for the AWACS. Precisely what security will there be for the AWACS aircraft and related equipment? Has the U.S. inspected the site or sites where the AWACS will be housed? Will the AWACS have their own facilities or will they share facilities with commercial aircraft and/or the Saudi air force more generally (under current arrangements, the AWACS in Saudi Arabia are housed on part of the Riyadh International Airport)?

Answer: Details of security arrangements are contained in the clasified Saudi AWACS Security Plan which can be made available to Members for review. The U.S. Air Force was directly involved in preparation of that plan and approved it for implementation. The USAF has also been actively involved in the planning, construction management, and certification of completed sites of all Saudi AWACS support facilities. A team of USAF security experts certified the adequacy of in-place security arrangements before the first Saudi AWACS was delivered.

The Saudi AWACS has dedicated facilities which were previously part of the Riyadh International Airport. A new commercial airport was opened in December 1984 and is approximately 40 kilometers from Riyadh.

Question: Precisely what roles will be reserved for U.S. and Saudi personnel only and what roles can be performed by Third Country Nationals provided consent is given? What specific maintenance roles or other roles do you see being performed by non-Saudis and will these non-Saudis be given continual access to the aircraft? How many Third Country Nationals do you expect to have access and what is their likely nationality? Pakistani, Yemeni, Jordanian or Palestinian?

Answer: Only non-skilled, non-sensitive maintenance functions will be performed by Third Country Nationals (TCNs). Examples are wash rack personnel, custodial functions, AGE maintenance, drivers, and some administrative functions. Approximately fifteen TCNs will have normal duty locations within a restricted maintenance area, and all TCNs (total envisioned, 89) will be under supervised escort or a properly cleared Saudi or U.S. national. All TCNs themselves will be strictly screened in accordance with applicable U.S. - Saudi agreements and Saudi Air Force procedures. TCNs hired to date have been predominantly Filipinos.

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Question: Your security agreement as reported to the Congress in the Presidential certification in June also says that computer software, as designated by the United States, will remain the property of the United States Government. Where is this agreement written down? in which document? Where will this software be housed? What does it comprise? How many Americans will be assigned to Saudi Arabia to care for the computer software related to the AWACS? Will they be Defense Department personnel or contractor personnel? Will any non-U.S. personnel, including Saudis, have access to the computer software?

Answer:

(DELETED)

Information Sharing

Question: How will the United States receive this information? Will it be a direct downlink?

Answer: U.S. military personnel at the data sharing element will have the capability via direct downlink to receive and monitor the Saudi AWACS data on a continuous, real time basis.

Question: Has the United States made any agreement to supply the Saudis with air surveillance information collected by U.S. ships in neighboring international waters? How is such agreement related to the AWACS agreement?

Answer: The Memorandum of Agreement signed by Secretary of Defense Weinberger and the Saudi Minister of Defense and Aviation, HRH Prince Sultan bin Abdulaziz, on 9 February 1982

(DELETED)

The Memorandum of Agreement is classified and was transmitted to the Congress under an injunction of secrecy on 9 March 1982 as required by the Case Act.

Third Country Transfers

Question: Secretary Haig indicated that in 1981 that the agreement with the Saudis would forbid any third country modifications of the AWACS equipment. Does your agreement with the Saudis include such a provision? What is the purpose of this prohibition and what are you trying to protect against?

Answer: Yes; the Supplemental Conditions, Note 14, of the Saudi AWACS Letter of Offer and Acceptance specify that no third country personnel will be permitted to perform maintenance on or modifications to Saudi AWACS aircraft or AWACS-associated systems unless mutually agreed. The purpose of this restriction is two-fold: first, to limit and control the transfer of sensitive AWACS technology, and second, to prevent unauthorized modifications or alterations to AWACS equipment without knowledge or permission of the U.S. Government.

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Question: Do your agreements with the Saudis call for Saudi or U.S. investigations or both in cases where it is known or there are grounds for suspecting that classified information has been lost or disclosed to unauthorized persons? Are you satisfied that you have mechanisms in place dealing with violations or suspected violations of the security provisions of your agreements?

Answer:

(DECLASSIFIED)

We are satisfied with the mechanisms in place to deal with violations or suspected violations of our security agreements.

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APPENDIX 4

BIOGRAPHIES OF WITNESSES

HON. RICHARD LEE ARMITAGE, ASSISTANT SECRETARY OF DEFENSE FOR INTERNATIONAL SECURITY AFFAIRS

Richard L. Armitage was sworn in as the Assistant Secretary of Defense for International Security Affairs on 9 June 1983.

Mr. Armitage represents the Department of Defense in formulating and developing the politico-military relationships between the United States and other countries of the world, excluding NATO-member countries. As such, he is responsible for the military aspects of U.S. policy pertaining to these countries. Among his many duties are supervising DoD's security assistance programs, oversight of DoD activities relating to law of the sea and oversight of policies concerning U.S. special operating forces and counterterrorism.

Born in 1945 in Boston, Mr. Armitage attended high school in Atlanta and graduated in 1967 from the U.S. Naval Academy where he received a commission as an Ensign in the U.S. Navy. After graduation he was assigned to a destroyer which was stationed on the gunline off Vietnam conducting naval gunfire support operations.

After three incountry tours as part of the riverine forces in Vietnam, he left the Navy in 1973 to accept a position with the U.S. Defense Attaché Office in Saigon, primarily as a Naval and Marine Corps advisor. Immediately prior to the fall of Saigon, he effected the removal of naval assets and personnel.

In May 1975, he returned to the Pentagon as a consultant and subsequently served in Tehran on the staff of the U.S. Defense Representative, Iran. From 1976 to 1978, he pursued private business interests. In March 1978, he became Administrative Assistant to Senator Robert Dole of Kansas, a position he left in May 1979 to establish a Washington-based consulting firm specializing in Asian affairs.

Mr. Armitage worked in the Foreign Policy office of the Reagan presidential campaign and later was named as a member of the National Security Transition Team. He was a senior advisor to the Interim Foreign Policy Advisory Board charged with preparing the President-elect for major policy issues which would confront the new administration. From 1981 until assuming his present position, Mr. Armitage was Deputy Assistant Secretary of Defense, International Security Affairs for East Asia and Pacific Affairs.

Mr. Armitage is a member of the Association of Asian Studies and the World Affairs Council.

He lives in Fairfax, Virginia, with his wife Laura, four daughters, Elizabeth, Lee, Jenny and Alice and two sons, Paul and Chris.

HON. RICHARD W. MURPHY, ASSISTANT SECRETARY OF STATE, BUREAU OF NEAR EASTERN AND SOUTH ASIAN AFFAIRS

Richard W. Murphy was promoted to the rank of Career Minister in 1979. He entered the Foreign Service in 1955 and was assigned as Consular and Administrative Officer in Salisbury, Zimbabwe. He received Arabic language training at Johns Hopkins and the Foreign Service Institute from 1958 to 1960. He served as an Economic Officer in Aleppo, Syria, from 1960 to 1963. From 1963 to 1966 he was a Political Officer in Jida, Saudi Arabia, and from 1966 he served as a Political Officer in Amman, Jordan.

Mr. Murphy returned to Washington in 1968 to become Assistant Executive Director for Personnel, Bureau of Near Eastern and South Asian Affairs. He served as Country Director for Arabian Penninsula Affairs from 1970 to 1971. Mr. Murphy served as Ambassador to Mauritania from 1971 to the summer of 1974; to Syria from 1974 to 1978; to the Philippines from 1978 to 1981; and to Saudi Arabia since 1981.

Mr. Murphy was born in Boston, Massachusetts on July 29, 1929. He received a B.A. degree from Harvard University in 1951 and an A.B. from Cambridge University in 1953. From 1953 to 1955 he served in the Army. He is fluent in Arabic and French. He is a member of the American Foreign Service Association and the Middle East Institute. Mr. Murphy was awarded the Department of State's Superior Honor Award in 1968.

Mr. Murphy is married to the former Anne Cook; they have a son, Richard, and two daughters, Katherine and Elizabeth.

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